The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

December 17, 1938

Christmas In China

York in the Louisville, Kentucky, Times.

Japan's Conception of the "Open Door"
An Editorial

Sino-Soviet Entente Cordiale
By C. Y. W. Meng

Munitions Move Along New Burma-Yunnan Highway
By T. Liu (Rangoon)

Alaska and the Pacific

Pan-American Congress Arouses World-Wide Attention

Japanese Capital Hesitates to Follow the Army
By John Ahlers

New Fourth Army Emerges as Leading Guerilla Force

Mission Work Proceeds In Occupied Territories

Japanese Navy Over the Dutch East Indies

THIRTY CENTS A COPY (In Shanghai) FORTY CENTS ELSEWHERE

Volume 87 Number 3

87-069

THE MERCANTILE BANK OF INDIA, LIMITED

(INCORPORATED IN ENGLAND

Head Office: London Shanghai Office: 4 The Bund

SUBSCRIBED CAPITAL . . .	£1,800,000
PAID-UP CAPITAL	1,050,000
RESERVE FUND	1,075,000

INTEREST ALLOWED ON LOCAL CURRENCY CURRENT ACCOUNTS AT THE RATE OF 2% PER ANNUM.

Current and Fixed Deposit Accounts opened in Sterling as well as in Local Currency. Banking and Exchange Business of every description ttansacted. Trusteeships and Executorships undertaken.

87-070

In the United States Court for China

WALTER NORMAN RUSSELL, Plainti , vs. LILA LEVOVNA ZIMMERMAN RUSSELL, Defendant.	Cause No. 4379 Civil No. 2258 ORDER. Filed at Shanghai, China, December 9th, 1938. WILLIAM T. COLLINS Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorney, has this 9th day of December, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 9th day of December, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 9th day of December, 1938, Walter Norman Russell, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last year previous to the 9th day of December, 1938;

NOW THEREFORE it is this 9th day of December, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review," a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays occurring after the 31st day of December, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

MILTON J. HELMICK,
Judge.

Subscribe to
THE CHINA WEEKLY REVIEW
$12.00 per year

金城銀行

KINCHENG BANKING CORP.

200 KIANGSE ROAD, SHANGHAI

Paid-Up Capital - $7,000,000.00
Reserve Fund - - 3,670,000.00

Efficient up-to-date banking service is a modern daily necessity. Consult us on all commercial and investment problems.

EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED SPECIAL DEPARTMENT FOR SAVINGS ACCOUNTS, SAFETY DEPOSIT BOXES FOR RENT ON MODERATE TERMS.

HEAD OFFICE:

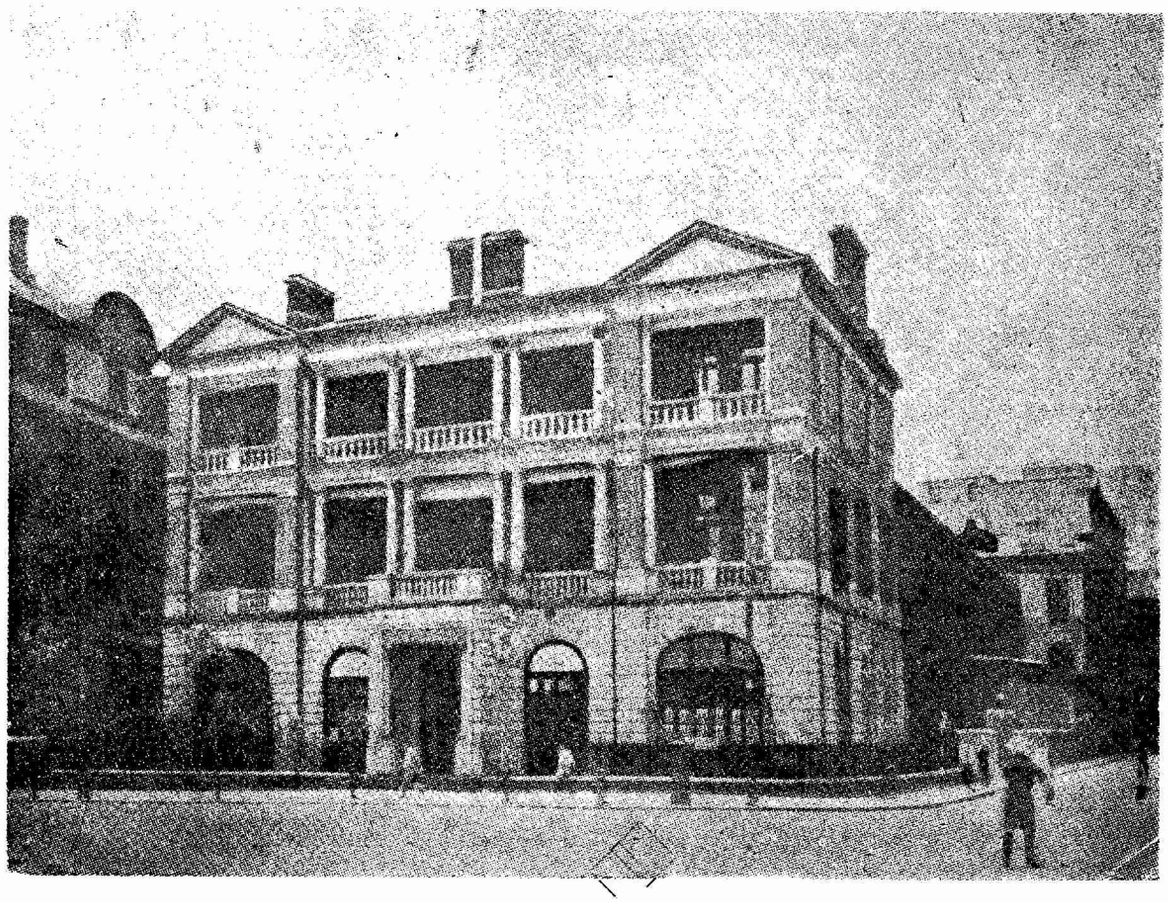
SHANGHAI

BRANCHES:

TIENTSIN	HSUCHANG	SINPU
NANKING	CHENGTU	DAIREN
SOOCHOW	SINSIANG	HARBIN
CHANGSHA	SIAN	CHANGTEH
PAOTING	HANKOW	WUCHANG
KUMING	CHENGCHOW	TINGHSIEN
KAIFENG	NANTUNGCHOW	TSIAOTSO
PEIPING	KWEIYANG	CANTON
TSINGTAU	SHIHKIACHWANG	CHUNGKING
CHANGSHU	TAOKOW	HONGKONG

FOREIGN CORRESPONDENTS:

NEW YORK SAN FRANCISCO LONDON
PARIS TOKYO
BERLIN OSAKA



WILLIAM HUNT & CO.

Wharf & Godown Administration

9 The Bund

STATES STEAMSHIP CO.

American Pioneer Line

Roosevelt Line

CHINA FOREIGN STEAMSHIP CORPORATION

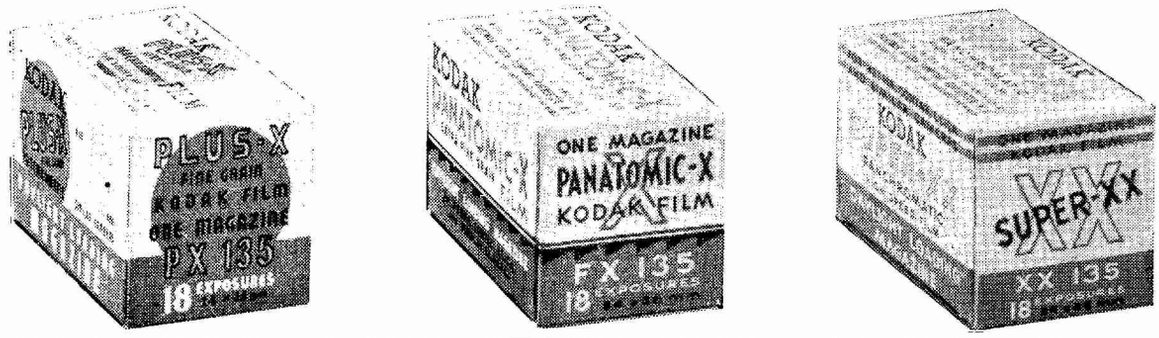
Sir William Reardon Smith & Son

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

87-072

ENJOY NEW HIGHS IN PERFORMANCE FROM YOUR MINIATURE CAMERA



WITH THESE 3 IMPORTANT NEW EASTMAN FILMS

NOW, for the first time, greater speed has been coupled successfully with finer grain. Each of Eastman's three new films for the "miniature" camerist—Kodak Plus-X . . . . Kodak Panatomic-X . . . . and Kodak Super-XX—is a dramatic step ahead in its particular field. Each offers definite advantages either in speed or fine-grain characteristics.

After you try your first rolls, you'll appreciate the new picture possibilities that these new films open up. They're available in 35 mm. (18 or 36 exposures) or No. 828 Kodak Bantam size rolls (8 exposures). Your dealer has them. Get a supply today.

KODAK PLUS-X. Kodak Plus-X film is the all-around film for miniature cameras, combining extra speed (double that of Panatomic) with fine grain characteristics (somewhat finer than Panatomic) that permit sparkling, richly detailed enlargements of generous size. Fully panchromatic, with a special blue base to guard against halation and light fog.

KODAK PANATOMIC-X. Kodak Panatomic-X Film is an outstanding film with considerably finer grain than Panatomic—yet with about the same speed. It yields big enlargements, of amazing brilliance with no appreciable graininess, many times the original negative size. Has a special blue base which guards against halation and light fog. Fully panchromatic.

KODAK SUPER-XX. Kodak Super-XX Film is the "high speed" film for which minature camera owners have been waiting. It has four times the speed of Panatomic, and twice the speed of Kodak Super X in sun-light and artificial light. Grain has been kept at a minimum. Its special blue base guards against halation and light fog, a feature of special importance in a film of such high sensitivity. Fully panchromatic.

Be Sure You Get KODAK FILM in the Yellow Box.

EASTMAN KODAK COMPANY, 185 Yuen Ming Yuen Road, Shanghai

Shoes for Christmas
for the whole Family
Economical-Comfortable-Reliable

Bata

BRANCHES THROUGHOUT THE CITY

715 NANKING ROAD—TEL. 95737
250 NANKING ROAD
1125 BUBB. WELL ROAD—TEL. 32536

915 AVENUE JOFFRE—TEL. 71705
597 AVENUE JOFFRE—TEL. 85132
1312 AVENUE JOFFRE

87-073

CONVEY THE WARMTH OF PERSONAL HOLIDAY GREETINGS SEND A

RADIOGRAM

"Via RCA"

SPECIAL LOW RATES TO ALL COUNTRIES

DEC. 13th.
to JAN. 6th.

FOR FULL INFORMATION CONSULT OUR NEAREST REPRESENTATIVE

R. C. A. Communications, Inc.

(A Radio Corporation of America Service)

Head Office for China:—
201-2 Sassoon House, Shanghai
Tel. 19251

AGENCIES:—
Tientsin: 65 Consular Road Tel.: 31430
Hankow: San Peh Building Tel.: 21774
Hongkong: Dina House Tel.: 30692

87-074

Demand the WHITE DOT, the Only LIFETIME Pen

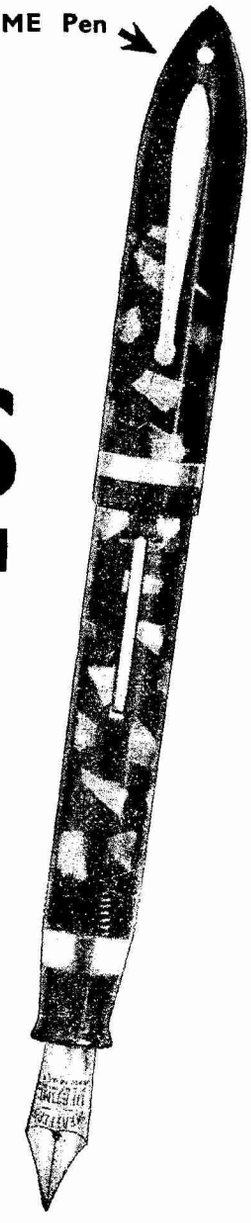
An Ideal Gift for X'mas

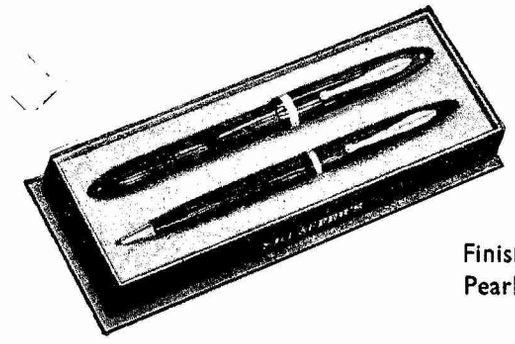
SHEAFFER'S FEATHERTOUCH

means

SMOOTH WRITING

See why FEATHERTOUCH writes so smoothly. Platinum-in - the - CHANNEL smooths the way for SKRIP to flow swiftly for instant writing. Try a SHEAFFER'S FEATHERTOUCH and note how smoothly the pen writes. The LIFETIME pen is guaranteed for life





Finished in Black, Gray, Ebonized Pearl, Rose-Glow and Golden Brown.

Distributors:

The Sun Co., (S'hai) Ltd.

Cr. Nanking, Yu Ya Ching & Lloyd Roads

Not all inks are good for fountain pens—use SKRIP—the Successor—to—Ink—it makes all pens write better.

W. A. SHEAFFER PEN CO.

Fort Madison, Iowa, U. S. A.

Skrip
THE SUCCESSOR TO INK

What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

Too Funny

The Editor, *China Weekly Review*:

Shanghai hospitals are said to be full of people suffering from different terrible diseases, but only few know that one fellow, at least, is now resting on a hospital bed, because he laughed too much. Who is he? Myself. Why? Because this funny world is full of idiots and savages. The following is my finding:—

Manchuria fell to Japan in 1931. The League of Nations could have stopped Japan, but Great Britain dallied, notwithstanding that the entire world was ready to back her and the League to stop the aggressor. Why did Great Britain dally? Because her interests were not involved. In 1935, Mussolini's fascists invaded Abyssinia. This time Great Britain would have acted, but France hedged and the U.S.A. hiding, actually assisted Italy by selling her war materials! No one would stop Mussolini, and he swallowed Abyssinia. A blow to the League! In fact the League could have stopped him, but it didn't. Neither France nor Great Britain were inclined to do so. They thought the risk too great.

Step by step as the League has retreated, the war-making fascist powers (Italy, Germany and Japan) have plunged ahead. They looked for new worlds to conquer. Germany started first and occupied the Rhineland. It was in 1936. Great Britain was silent, and Austria became Germany's next victim. Hitler knew that Great Britain was not prepared, and pushed forward with the result that he also got part of Czechoslovakia. Both occured in 1938! Hitler, dissatisfied with what he had now, tricked Chamberlain and Daladier into signing the "no war pact." It is obvious to the school boys that Hitler has "no end" and that his eyes are turning to the oil fields of Rumania, the next victim!

Italy, seeing Germany is a "success" in bluffing Great Britain, became jealous and ambitious, demanding Tunis! We will see the result.

Next comes our "humble friend." Today, with German and Italian diplomatic support, she is stronger than ever before. This time she has even dared to show her fists. In answer to protests regarding the open door policy, Japan has even dared to say, "Mind your own business, and get out. Asia for the Asiatics!

Is the League of Nations dead? Should or would Great Britain, France and the U.S.A. retreat again this time? The time has arrived when the Powers should not delay further. If they should delay, they may never have an opportunity to regain their legitimate foothold on this continent!

O. S. WANG.

Shanghai, Dec. 9, 1938.

Japan's Inconsistency

The Editor, *China Weekly Review*:

If you have space in your next issue perhaps you will insert these lines of mine bearing on a point which I have often thought shows clearly the inconsistency of Japanese arguments.

It has often been contended by Japanese spokesmen and news organs that the Chinese pro-communist attitude is responsible for much of the current hostilities. Who brought this about may one ask? The facts as far as one could remember were that General Chiang Kai-shek was busily engaged in the suppression of the Reds in Central and North-West China prior to the hostilities; he and his lieutenants were feverishly preaching the "New Life" movement in those areas purged of communist influences.

He was carrying on the good work of rehabilitating large parts of China after having driven away the Chinese Reds and supplanting communist doctrines with Kuomintang principles of livelihood; and indeed he was succeeding rapidly in making pre-war China a strong and respectable nation, when all of a sudden....Boom! the Japanese military machine stepped in, for they realised what a strong China would mean to Japan.

Arguments are specious but facts speak for themselves. I have yet to be convinced that the Lukouchiao incident meant one thing and the Changkufeng incident another; perhaps if Chinese and Russian places of abode had been changed we would most likely have seen the Changkufeng incident pushing further west to Europe and the Lukuochiao incident hushed up as a minor affair. As it was, the latter incident developed into the open invasion of China as we see it to-day.

Evidently the Japanese sense of humor is inexhaustible: arguing that China's sovereign rights would be imperilled if no restraint were put on Third Powers' trade and political encroachments in China it behoves Japan (by virtue of its present military conquests) to play the role of an elder brother to safeguard China from losing such rights; and consequently elder brother thinks the Nine Power Pact is ante-dated and its existence would reduce China to a semi-colonial status, etc., etc. and elder brother cannot stand by to see such things happen.

He is a blind man indeed who does not see through the Japanese mentality and objective in regard to her present adventures in China!

SCEPTIC.

Shanghai, Dec. 8, 1938.

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

C. FRANK GLASS, *Assistant Editor* HOH CHIH-HSIANG, *Editorial Dept.*

Advertising Dept.: TRYPHON V. KU, S. GRUENBERG

F. K. CHAO, *Business Dept.*

Index for December 17, 1938

Editorial Paragraphs

Growing Relief Problem Requires a Comprehensive Plan 65

New Thoughts on the Open Door Question 66

Japanese Capital Hesitates to Follow the Army ..... *By John Ahlers* 68

Mussolini's Envoy Recognizes Ta-Tao Regime 69

Special Articles

Munitions For China Moving Along New Burma-Yunnan Highway .....*By T. Liu. (Rangoon)* 71

Alaska Beginning to Loom Large in Great Problem of the Pacific 72

New Fourth Army Springs Into Limelight 76

Land Reclamation Schemes Employ a Million Refugees 80

Soviet-Japanese Fisheries Dispute Generates War Talk 81

Pan-American Conference at Lima Attracts World-wide Attention 85

Memel, Tunisia Issues Hold Spotlight in Troubled Europe 89

Departments

What People Are Saying 63

Outstanding Events in the Sino-Japanese War 92

Who's Who in China 98

Men and Events 99

New Books of Interest in the Far East 102

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, FOURTEEN DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. ADD $3.00 COVER EXTRA POSTAGE TO HONGKONG. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MAIL—TO HANKOW AND ELSEWHERE IN CENTRAL, WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE IS $80 A YEAR OR $17 FOR A HALF-YEAR.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES. COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

87-075

GENERAL MOTORS
CHINA LIMITED

201 Route Card. Mercier

Shanghai, China

●

Passenger Cars

BUICK—CHEVROLET — CADILLAC — LASALLE
OLDSMOBILE—PONTIAC—VAUXHALL—
OPEL

Commercial Vehicles

Chevrolet Commercial Cars and Trucks, General Motors Trucks and Trailers, Oldsmobile Trucks, Opel Commercial Cars and Blitz Trucks, Bedford Commercial Cars and Trucks, General Taxicabs and Yellow Coaches.

FRIGIDAIRE

Household and Commercial Refrigerators and Refrigeration Units. Beverage and Water Coolers. Ice Cream Cabinets. Milk Cooling Equipment.

DELCO-FRIGIDAIRE

Delco-Frigidaire Air-Conditioning and Heating Equipment. Delco Lighting Equipment and Household Appliances.

ENGINES AND LOCOMOTIVES

Diesel and Gasoline Engines for Marine and Stationary Use. Diesel Locomotives. Diesel Power Plants for Streamlined Trains.

ACCESSORIES

A. C. Spark Plugs. New Departure and Hyatt Bearings.

ZONE OFFICES

HONGKONG
224 Hongkong & Shanghai Bank Building

TIENTSIN
70 Consular Road

GENERAL MOTORS PARTS DEPOT
HONGKONG

87-076

Appreciation

The Editor, *China Weekly Review*:

It may be an agreeable surprise to you that your Weekly is so popular in this interior city that many of your readers regret being unable to obtain a copy of each issue earlier. I have been informed by your dealer that the director of a coal mining company about 200 li from this city has sent a man by his own car to this city for the sole purpose of purchasing two copies of your paper.

It is, however, regrettable that some of the previous issues have arrived at this city too late. In some cases it requires nearly two months for your paper to arrive at this city. It is natural that nobody is willing to spend a sum of forty cents to obtain a copy of an issue that is long overdue. It is, therefore, most advisable for you to devise some effective means to expedite transmission by the postal service.

ONE OF YOUR SUBSCRIBERS.

Kian, Kiangsi, Dec. 1, 1938.

P. S. The issue of Nov. 12 is in great demand here. The Provincial Construction Bureau has just sent a man for a copy of this issue. I don't think that five additional copies of this issue will meet actual requirements.

China Information

The Editor, *China Weekly Review*:

I shall appreciate your prompt correction of the completely erroneous statement, published in your issue of November 12, that the China Information Exchange is a Chinese propaganda agency, or that I am personally serving as a publicity or propaganda agent.

EARL LEAF.

By Radio,
New York, December 10, 1938.

Editor's Note:—The reference to Mr. Leaf and the China Information Exchange, published in **The Review** on November 12, was reprinted from the newspaper trade magazine, **Editor and Publisher.** We regret the error and extend our apologies to Mr. Leaf.

●

Good, Good Evening, Mr. & Mrs. Shanghai!

Is the Salutation each Friday Evening at 8 o'clock

Inviting you to the audience of the most widely-listened radio news commentary program on the airlanes over

Station XMHA

Agree, or disagree, it's worth your time to tune in on the

China Weekly Review
Radio Commentator

●

報論評氏勒密
The China Weekly
REVIEW
Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

Volume 87 Shanghai, China, Saturday, December 17, 1938 Number 3

GROWING RELIEF PROBLEM REQUIRES A COMPREHENSIVE PLAN

REPORTS from all parts of China, by neutral organizations and individuals, in both Chinese-controlled and Japanese-occupied territories, indicate the growing seriousness of the relief problem.

Figures pertaining to the extent of the problem, that is, the number of individuals requiring relief, are of little value because their magnitude exceeds the comprehension of most individuals. Most persons think that the figure, 30,000,000 homeless, is a fairly correct indication of the real situation.

Whether these unfortunate human beings were driven from their homes by the invading Japanese armies, or had their houses destroyed by their own officials as a phase of the so-called " scorched earth " policy, an effective method of Chinese defense, makes little difference to the helpless victims of the war. Futile argument about responsibility doesn't detract from the stark reality of tens of thousands of helpless men, women and children being driven from their homes in dead of winter and being forced to die by the wayside like helpless dumb animals. The best answer to those who want to argue about it is that these people were living in reasonable comfort before the Japanese invaded this country.

Whether the reports come from " free " or Japanese occupied areas, they indicate an appaling situation. In some places in the North floods from the Yellow River have added to the previous complications brought about by the war. In territory controlled by the National Government the chief problem is the support of thousands or even millions of persons who have fled from the war areas. In territory which has been occupied by the Japanese armies practically all normal human activities have been disrupted, industries destroyed, communications broken. Those who filter back into these districts usually are unable to earn a living and find themselves objects of relief as dispensed by foreign missionary agencies.

C. R. Bennett, who has served as treasurer of several relief agencies, including the American Advisory Committee, Church Committee for China Relief, China Famine Relief, U. S. A., and the United Council for Civilian Relief in China, reported last week that the sum of U. S. $775,598 had been expended through these organizations. At current rates of exchange this amounts to well over $3,500,000 in Chinese currency.

In addition to the work of the strictly American organizations, the Shanghai International Red Cross reported, according to the bulletin issued this week, an expenditure of $2,641,436.61. Of this sum, $1,350,000 was appropriated by the Chinese Government and the remainder came from contributions abroad, much of it from overseas Chinese.

Then there were the contributions of the London Lord Mayor's Fund, amounting to well over $3,000,000, at current rates of exchange.

The total amount from all agencies is unknown but it is easy to see that the dispensing of relief has become the chief business and financial activity of the country. It is a problem of purely Japanese creation which the Americans and British and a few other foreigners and some Chinese have had to shoulder.

The chief point to consider seems to be that despite the expenditure of many millions of dollars and a tremendous amount of work by relief agencies, the actual problem of caring for homeless and destitute people is growing.

At the present time various persons are engaged in making surveys of the relief problem. John Earl Baker, long experienced in this field of work, has just returned from an extensive trip through the interior provinces. Other individuals and agencies are making similar surveys and new organizations are planning to enter the field.

The best suggestion, in the circumstances, would seem to be the appointment, through some official or semi-official agency, of a man of international reputation, outstanding character and ability, and of broad sympathies, who would be able to collect a competent staff and devote his entire time and energy to the work. Such an individual could take charge of the situation and coordinate the activities of various relief agencies whose work now overlaps or is conflicting. It is only in this manner that a broad, efficient, constructive program can be worked out to cope with the crisis which now confronts the world.

It is no secret that China and her helpless multitudes are the objects of sinister intrigue by the proponents of violent, clashing and conflicting political ideologies. The simple-minded, industrious and normally peaceful Chinese coolie-farmers and villagers have become objects of attention on the part of ambitious alien military dictators who would use this reservoir of man-power in their programs for world-domination.

The organization of a broad relief program that would assist the Chinese in re-establishing themselves economically—and ultimately politically—might enable the Occidentals, self-advertised proponents of democracy, to retrieve their national prestige which they have lost due to political ineptitude since the beginning of the complications between China and Japan.

Also, the thought probably has already suggested itself to those who have read these paragraphs : If the foreigners, particularly the Americans and the British, have been compelled to shoulder the financial burden of caring for people made homeless by Japanese terrorism, then it is about time that the American and British Governments gave serious thought to the larger problem of putting an affective stop to the cause of the trouble.

New Thoughts on the Open Door Question

SHANGHAI recently has provided a setting for numerous receptions, teas and cocktail parties given by Japanese visitors who came here for the purpose of investigating the "new order in East Asia," which has been produced by the activities of the Japanese Army. The sudden influx of prominent Japanese civilians who have evinced great interest in the opinions of local foreigners, was apparently caused by recent declarations of foreign organizations here concerning Japanese violation of the Nine-Power Treaty dealing with the Open Door and equality of opportunity in China. Several of the visitors have been editors of newspapers and magazines who are well known in Japan.

In order to obtain information about what has happened on the Asiatic Continent in the past seventeen months—for the information of prominent Nipponese visitors—it has been the custom to invite a few foreigners, including local newspapermen to these functions.

At one of the recent parties, one of the hosts submitted the following list of questions as subjects for discussion:

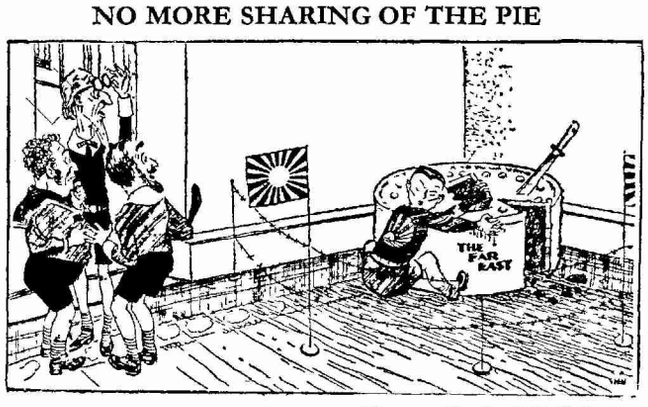
1.—What is the best possible methods for effecting racial reconciliation between the Japanese, Chinese and the Westerners on the Chinese Continent?
2.—What is your opinion about the peculiar features of the culture of Japan, China and the West?
3.—Has the Western educational system adopted by China any peculiarity?
4.—Possibility of collaboration between Occidentals and Orientals in the field of economics in China.
5.—Your unreserved opinion or criticism about the Japanese people as regards their daily life as witnessed in Shanghai.

One hopes that the prominent Nipponese editors received satisfactory replies to these questions in the brief time allotted for the interview. A fitting answer which none probably had sufficient courage to make, would have been along the line that most of these racial, cultural and economic problems would be solved automatically if the Japanese Army would pack up and go home.

***

Of greater significance even, than inspired statements published in the Tokyo papers referring to the Open Door, were the reports from Tokyo, Hsinking and elsewhere that the Japanese military authorities were planning to retaliate against commercial interests whose home governments refused to recognize the puppet regimes that the Japanese Army was trying to set up in various parts of China. For example, Gen. Chang Ching-hui, Premier of Manchukuo and chief puppet of the Kwantung Army announced that Manchukuo had divided the nations of the world into four categories: (1) Japan, which forms a solid front with Manchukuo; (2) New regimes in China and Inner-Mongolia which are friendly to Manchukuo; (3) Nations of the anti-Comintern bloc; (4) Powers which have not recognized Manchukuo. Gen. Chang announced that his government would deal with foreign countries in accordance with the foregoing classifications.

NO MORE SHARING OF THE PIE



Glasgow, Scotland, Bulletin

Foreign businessmen in Shanghai professed to see indications of Japan's application of a similar policy of discrimination in connection with recent attempts of foreign commercial interests in Shanghai to send representatives to Hankow aboard the foreign gunboats which departed during the week for up-river ports. Although several firms with branches in Hankow applied to the Japanese military for passes for their representatives, all applications were rejected with the exception of two representatives of the British-American Tobacco Company, M. L. Riednor and V. L. Daniel, who were granted permission to travel aboard the U. S. S. Oahu to Hankow. The B. A. T. due to its cooperative arrangement with Japanese interests in Manchukuo, North China and Shantung, has been granted privileges at Shanghai and elsewhere which have been denied to other foreign concerns.

***

IN order to provide an appropriate background for a review of recent Japanese expressions on the subject of the Open Door, we quote the following paragraphs from the first article of the Treaty which Japan, United States, Britain, France, Italy, Netherlands, Portugal, Belgium and China signed at the Washington Conference on Feb. 6, 1922:

> The Contracting Powers (other than China) agree:
>
> 1.—To respect the sovereignty, the independence, and the territorial and administrative integrity of China;
>
> 2.—To provide the fullest and most unembarassed opportunity to China to develop and maintain for herself an effective and stable government.
>
> 3.—To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.
>
> 4.—To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such states.

The remainder of the Treaty is largely an amplification of the principles enunciated in the first article. For example, Article II bound the Powers not to enter into any agreements or treaties that would infringe the foregoing principles. Article III makes interesting reading today in view of happenings in recent months:

> "With a view to applying more effectually the principles of the Open Door or equality of opportunity in China for the trade and industry of all nations, the Contracting Powers agree that they will not seek, nor support their respective nationals in seeking—
>
> (*a*) any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China;
>
> (*b*) any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate the practical application of the principles of equal opportunity . . .

Finally, the Powers agreed that in the event anything occurred which involved any of the stipulations of the Treaty, that they would meet to discuss the problem "in full and frank communication between the Contracting Powers concerned."

***

SINCE this was the document which the authorized delegates of the Japanese Government signed, voluntarily, sixteen years ago, it is interesting to note some of the recent reactions of present day Japanese officialdom.

Unfortunately we cannot present the views of Premier Prince Ayamaro Konoye. He was scheduled to deliver a speech on the subject of Sino-Japanese relations and the establishment of a new order in East Asia, in Osaka on Sunday, Dec. 11, but was compelled to postpone the address due to a sudden attack of influenza.

87-078

The Shanghai *Morning Leader*, well known Chinese paper, suggested that Prince Konoye's illness may have been political as it was known that a serious controversy had broken out in the Cabinet over the China issue. The Chinese paper claimed that Konoye had planned to meet influential financiers and industrialists at Osaka, but the Army and Navy authorities raised violent objection to some of the Premier's scheduled statements of policy (See article "Japanese Capital Hesitates to Follow the Army," elsewhere in this issue).

Three days prior (Dec. 8) to the Premier's scheduled address, the Foreign Minister, Hachiro Arita had held interviews with the American Ambassador, Joseph G. Grew, and the British Ambassador, Sir Robert Craigie, upon which occasion Prince Konoye had informed the

THE OPEN DOOR

Talburt in the N. Y. World-Telegram and Amerasia.

Anglo-American Ambassadors about the "new situation" in East Asia. A forecast of Arita's statement, published in the *Asahi Shimbun*, Dec. 7, said:

> "Mr. Arita will endeavor to induce the two Ambassadors to thoroughly understand the conception and principles of the freedom and indiscriminatory treatment of the trade, enterprises and investments to be enjoyed by the Powers in the Chinese market under restrictions necessary for attainment of national defense and economic autonomy and unaccompanied by political privilege."

***

THERE has been no official statement regarding the talks between Arita and the American and British Ambassadors, but a report from London on Dec. 13 suggested the possibility that the United States and Great Britain might adopt reprisals against Japan in the event the Japanese did not discontinue their program of destroying all foreign trade competition in China. It was alleged that the U. S. Department of Commerce and the British Board of Trade were studying retaliatory measures that might be taken. It was pointed out that 50 percent of Japan's export trade was with Britain and the United States, hence it would be comparatively east to take retaliatory measures.

Thus there was an interesting and significant sequence of events. First, Arita told the foreign ambassadors about the "new order in East Asia based on the national aspirations of Japan." Premier Kenoye was scheduled to follow up with an address at Osaka outlining Japan's program, but became ill and could not deliver his address, allegedly because of the opposition of the Army and Navy authorities. Then there were inspired reports from London and Washington suggesting retaliatory measures against Japan for restricting the trade of other Powers in China.

***

Of greatest interest, however, was a "preview" of Foreign Minister Arita's statement to the American and British Ambassadors, which the Foreign Office spokesman admitted was an accurate summary of the Japanese position.

"1. The Empire wishes the establishment of a firm foundation for the stabilization of East Asia, which is the common imminent desire of Japan, Manchukuo and China, born of the present Incident, and keenly feels that it is also the obligation of the country to work for it.

"2. One element necessary for the stabilization of East Asia is that full defense measures should be taken by Japan, Manchukuo and China against the menace of the Red influence. China is now being invaded by Red influence, but has no actual force to cope with it. Such a condition constitutes a menace against the welfare of Japan and Manchukuo, who find it necessary to co-operate with China for their self defense and also for saving their neighbour, China.

"3. At present the world is guided by the principle of economic isolation, and, under such conditions, economic co-operation between Japan and China is inevitable and unavoidable. It will be most advantageous to China because realization of such economic co-operation will assure her of a market for her materials and resources. The present Incident has occurred because the National Government of China rejected relations of mutuality and reciprocity and menaced the right of existence of the Japanese Empire. The Empire is firmly determined to check and remove obstacles in the way of Sino-Japanese economic co-operation irrespective of the difficulties that may be encountered.

"4. China, by virtue of the restoration of its tariff autonomy, could have improved her finance and economy and could have realized to some extent the substantial requirements of an independent nation. But still China is subjectd to restrictions and pressure by unequal treaties, the Nine-Power Pact, and loans and contracts which savour of politics. So long as such restrictions exist, China will not be able to free herself from being a semi-colonial market over a long period, and will not contribute fully to the stabilization of East Asia. It is abnormal that a country subjected to restriction by foreign countries and to pressure by them for the protection of their mutual interests, should fail to take necessary measures for the stability of its own important interests and economic life. The Powers, in an effort to abide by the demand of China, have recognized in principle the abolition of extraterritoriality, but this has not been realized as yet. The Empire cannot but take goodwill measures on this point for newly-born China, both for the benefit of China herself as well as for the stabilization of East Asia. In these circumstances, the Powers should revise their attitude of continuing to impede the autonomy of China by extraterritoriality, the unequal treaties, the Nine-Power Pact and other agreements.

"5. The rights to be enjoyed by the Powers in China are clearly but little different from those enjoyed by foreign countries in Japan, or Great Britain and the United States. Japan, however, stands in the relation of life or death with China in national defense and economic activities, and the extent of co-operation between the two countries in the fields of national defense, politics and economics should be incomparably wider than that between China and the other Powers. Through different in degree, such relations are actually observed in various countries of Europe and America, Japan by no means regards China as a dependency or colony. Even where Japan co-operates with China in a special position, it is not meant that the economic activities of European and American countries will be totally prohibited. Japan does not mean to rob the Powers of the freedom of trade in China.

"6. The stabilization of East Asia sought by the Empire can only be realized through enforcement of the foregoing. It will be possible for the first time when China restores its own autonomy and independence. The Nine-Power Pact, in its primary meaning, was intended to be a pact under which China was to suffer no obstacles in seeking stability in her important interests and economic life. As China gradually progresses as an independent nation and comes to feel greater necessity for the free exercise of her administrative rights, the concrete contents of the foregoing condition become richer, and the scope of application of the principle of equal opportunity should automatically become narrowed. Even supposing that there were no special relations between Japan and China, the Powers would be compelled to recognize such special relations. The fact that Japan and China require specially intimate relations constitutes a question of life or death. If the Powers insist on Japan sacrificing even this, Japan cannot but declare it as a denial of the right to existence of Japan and China.

"7. The principle of equal opportunity as enunciated by the

Nine-Power Pact would prevent Japan and China from entering into close economic relationship, reduce China into a semi-colonial market, and, in short, be interpreted as a treaty to preserve China for the sake of Europe and America. Such a principle impairs the right to existence of the Empire and, on the other hand, oppresses the autonomous exercise of administrative rights by China in the economic field. It constitutes non-recognition of the national growth of Japan and China. Such a principle, therefore, cannot be considered capable of governing the new situation in East Asia.

"8. Consequently, the economic activities of the Powers in China, in foreign trade, business enterprise, investments, and so on, should not be conducted according to the articles of the Nine-Power Pact, but should be restricted within the limits dictated by the autonomy and independence of China and in recognition of the special relationship ibetween China and Japan in accordance with the new situation in East Asia, namely:

"(*a*) The economic activities of the Powers in China are required not to violate the basic demand of national defense of new China as a wing of East Asiatic defense. As new China is to bear a share of the responsibility with Japan and Manchukuo for defense against Communism, the basic industries and economic facilities required for establishing her national defense foundation are not to be bound by mere treaty obligations.

"(*b*) The economic activities of the Powers in China are not to impair the autonomous exercise of the economic administrative rights necessary to new China.

"(*c*) Apart from these two provisions, all Powers may be engaged in economic activities in China on an equal footing with Japan, and under the principles of free competition and indiscriminatory treatment.

"9. In short, the economic activities of the Powers will be governed and restricted by the national defense and autonomous needs of new China, but will enjoy freedom and indiscriminatory treatment as regards foreign trade, enterprise and investment which are due to them in the China market without accompanying political privileges. In other words, the scope of activities of foreigners acceptable to new China is exactly what is acceptable of any independent nation if its independence is to be maintained according to its own circumstances.

"10. The imperial Government will, of course, respect the economic activities of the Powers in China and all rights and interests based on the aforementioned concepts. Japan has stated that she would respect the rights and interests of third Powers in China ever since the outbreak of the Incident, but this does not mean that she will assume the obligation to respect the vested rights and interests of the Powers as they are. What it means is that Japan will make adjustments where adjustments are due, but will strive to confine the damage to foreign rights and interests to the smallest scope possible permitted by the new order in China."

Japanese Capital Hesitates to Follow the Army

BY JOHN AHLERS

"WE want to develop China's economy" appears to be the standard answer of every Japanese to questions as to the economic intentions of Japan in this country. But there are no two Japanese who can give precisely the same answer to further questions on what is meant by the phrase "develop China's economy," or the problem by whom or by what method that economy is to be developed. The general plan of economically developing China apparently has not as yet been approved or even worked out by Japan. One hears rumors of innumerable partial plans, many conflicting with, and often diametrically opposed to each other. Various Japanese interests are fiercely fighting among themselves not only over Chinese economic or industrial enterprises already seized, but also over economic resources still firmly in the power of the Chinese National Government, but which the Japanese hope to seize later on.

The alliance concluded in the autumn of last year by the Japanese Army, the government and big business on the question of methods and procedure, only covered the seizure of private property, not the exploitation of economic resources generally. Under the terms of this alliance, the warlords in cooperation with the government were to obtain control of mines, iron industries, public utilities and all communication organs of the country. The remaining industries and all of the trade in Japanese occupied areas were to be turned over directly to Japanese private industry and commerce. This agreement by the "robber barons" warlords and politicions has generally been complied with. But no agreement has been reached on the larger and more fundamental "economic exploitation" of Japan's spoils of war.

It is now obvious that the Japanese generals, politicians and big business leaders have fundamentally divergent views about the economic future of China, that is, from the point of view of Japanese national interests. The military wants to complement the war industries of Japan proper with new war industries to be established in China in order to obtain full self-sufficiency in military supplies for future war emergencies. The compliant Tokyo Government is not opposed to the aspirations of the army, but rather desires to use the whole of China as a primary source of raw materials for Nipponese industries, and at the same time a market for Japanese manufactured goods. Japanese big business however, wants both, that is a general expansion of industrial and commercial activities of Japan into China. Nippon's industrialists desire to buy Chinese raw materials as well as develop Japanese industries of all sorts on Chinese soil.

The interests of the afore-mentioned Japanese groups conflict in still another direction. The military wants to dominate absolutely those Chinese economic elements which they think Japan must control in order to turn China into another Korea and Manchuria. The Japanese Government on the other hand is afraid to lose its last vestige of control over the military and desires to retain in the Japanese-occupied areas at least as much power as it enjoys in Japan. The Government is, therefore, furthering the lateral extention of its new economic control over China. Nipponese big business, however is opposed to both propositions. Japanese industry and commerce wants a free hand to industrialize and trade as it chooses, free of any economic control in Japan. Nipponese big business is desirous of military and government assistance only as far as the expropriation of Chinese property and the ousting of western business interests are concerned.

The picture of conflicting Japanese interests is further complicated by the fact that within each of the three groups various factions and special interests are fighting each other. In the military camp each army unit appears to aspire at economic war-time self-sufficiency. The Kwantung Army in Manchuria and the Japanese North China Command intrigue against each other on the question of which is to dominate and exploit the important Lungyen Iron Mines and the Tatung Coal Mines in the territory they now call Inner Mongolia.

The South Manchuria Railway Company, on behalf of the Kwantung Army, has for a long time desperately fought for control of the new North China Development Company, but with partial success only. In Central China, Japan Iron Manufacturing Corporation at the last moment "grabbed" the Tayeh Mines and the Hanyehping Iron Works from the Central China Promotion Company. In the Canton area, the Taiwan military group and the Japanese Navy promoted the Formosa Development Company in order to secure economic control of that area and forestall competitors.

Also in the Tokyo Government, various ministries keenly compete with each other for control of new conquests in China. The Ministries of War and of the Navy,

87-080

of Foreign Affairs and of Overseas Affairs for more than a year fought for control of the so-called China Affairs Bureau. The final decision of that combat is still pending. In Japanese big business circles, heavy industries tend to line up with the generals while light industries appear to prefer full freedom of activities, in the China paradise and all big and small industries in Japan appear to be fighting each other over the "spoils of China."

The effect of the conflict is noticable in industrial manipulations within Japanese-occupied areas. So-called light industry operators have put into operation again, or are repairing Chinese-owned industrial plants which they have "taken over." The reconstruction of the Japanese cotton mills in Tsingtao is said to be making rapid progress. They are expected to resume operations by May next. If the Tokyo Government had not obstructed investment activities by light industries in China, this branch of industry in the Japanese-occupied areas might have made even greater progress in the seizure of Chinese industrial property. But it happens that these industries are not complementary to Japan's economy, and consume those Chinese raw materials which Japan herself maintains she is in need.

Slow headway, on the other hand, has been made in the restoration and development of heavy industries in Japanese-controlled areas although it is these industries which the Japanese appear to be most anxious to develop from the military point of view. The reasons are obvious. For the restoration and development of light industries in China, only comparatively small new capital was necessary, as most of the machinery employed in such industries is manufactured in Japan. Half of the machinery at present imported into China is textile machinery, and 75 per cent of this textile machinery comes from Japan. The development of the coal and iron industries of North and Central China, however, will require enormous amounts of capital, and the types of machinery necessary are not yet being built in Japan.

An idea of the amounts of capital necessary for the realization of Japan's heavy industrial program in China, is provided by considering that more than Yen 400,000,000 is required for the restoration and extension of Tatung Coal Mines, together with the construction of new railway connections, alone. In her best years, Japan has not been able to invest much more than Yen 300,000,000 net abroad. Even if Japan were able to raise the capital required, she would still lack the foreign exchange to pay for the enormous imports of foreign machinery involved.

In this dilemma, the Japanese military authorities are looking toward Europe and America for large credits in cash and/or machinery. They are not sparing in their effort to seduce Western capital. They are offering extraordinarily large profits, provided only long-term credits are granted at once. The South Manchuria Railway Company recently offered to purchase American locomotives and freight cars at 25 per cent more than the market price, provided such credit terms were granted. Nipponese military holdings of economic properties seized in China are being systematically camouflaged as private business enterprises in order to attract Western business interests. The whole organization of Japanese exploitation of Manchuria is being outwardly reformed and transformed, merely to blind the eyes of American and European capitalists.

The differences between various Japanese interests on the question of ways and means of economic exploitation of occupied China, in all probability, would be adjusted if private business would come forward without reluctance to assist the military in the realization of their economic plans. But Japanese private capital thus far has not come forward for this purpose. It even has refused to contribute to the financing of industrial development in Manchuria to any large extent. Nipponese private capital is utterly lacking in confidence in the financial and economic future and ability to pay dividends of all economic enterprises of the Japanese military on the Asiatic mainland. The warlords therefore apparently hope that credulous Americans and Europeans without inside knowledge of the real state of affairs in China and Japan will step in where Japanese private enterprises thus for have hesited to venture.

Mussolini's Envoy Recognizes Ta-Tao Regime

A sensation was caused in diplomatic circles in Shanghai last week, when the new Italian envoy to China, Marquis de Marchio Taliani, attended a dinner given by Mayor Fu Siao-en of the Shanghai Municipal Government. Marquis Taliani arrived at Shanghai several weeks ago, but has deliberately abstained from proceeding to Chungking to present his credentials to the National Government. It has been rumored for some time that Italy may sever diplomatic relations with the National Government and that the new Italian Ambassador, instead of proceeding to Chungking, will remain at Shanghai to wait for the establishment of a new puppet central Government, to which he will be accredited. Marquis Taliani's presence at the dinner of the Japanese-controlled Shanghai regime is generally regarded as confirmation of the rumor.

In addition to Marquis Taliani, the Italian Consul-General and several prominent members of the Italian community at Shanghai were also present at the party. The other guests consisted exclusively of Japanese military, diplomatic and consular officials headed by Mazayuki Tani, so-called Japanese Minister-at-Large at Shanghai.

Puppet Mayor Elated

Mayor Fu made much of the occasion. Elated by the honor of the Italian envoy's presence, he shouted in Chinese "Long Live Italy!" He declared that he was an ardent supporter of the Anti-Comintern Pact, of which Italy, Germany and Japan are the signatories. He recalled that when he was chairman of the Shanghai General Chamber of Commerce, he cooperated with forces opposed to communism. He urged closer co-operation of the Anti-Comintern Powers with "New China" to stamp out the communist menace in the Far East.

A minor dispute arose between the Japanese-controlled *Hsin Shun Pao* and officials of the Italian Embassy concerning the question whether Marquis Taliani spoke or not at the dinner party. According to the paper, the Italian envoy made an appropriate reply to Fu's speech in line with the Anti-Comintern theme. The paper added, "The new Ambassador has not yet set a date for his departure for Chungking, but may, in the near future, make a sight-seeing trip to Nanking."

Officials of the Italian Embassy emphatically denied the *Hsin Shun Pao* report. They declared, "The new ambassador made no declaration, no statement and no speech at the party." Replying to the question whether the new ambassador is proceeding to Chungking to present his credentials, an official said, "I don't know." He was also non-committal as to whether the ambassador is planning a trip to Nanking.

Chinese newspapers attached much significance to the attendance at the party of the Italian envoy, who, it was pointed out, had so far delayed presentation of his credentials but had accepted an invitation of an official of a "government" opposed to the National Government to which he is accredited. They viewed this event as an indication of the intention of the Anti-Comintern Pact Powers to extend diplomatic recognition to the new "Federal Government of China," which the Japanese are planning to establish.

Arrest Ordered

The National Defence Council at Chungking was reported to have issued an order for the arrest of Fu Siao-en. The action was taken in accordance with the Regulations Governing the Punishment of Traitors, promulgated last December, according to the *Hwa Mei Chen Pao*. Complying with a petition of the Ningpo Guild at Shanghai, the Chekiang Provincial Government recently ordered the confiscation of all Fu's properties in this native town of Chinhai, near Ningpo.

In fear of assassination, Fu Ping-kwei, son of Fu Siao-en, recently purchased a bullet-proof car at a cost of over $12,000. Fu Ping-kwei was reported to have been appointed head of the projected Shanghai Municipal Bank, but he denied the report. He is a high official in the Chung Wai Bank, of which Tu Yueh-sen is the president.

A huge concrete memorial dedicated to the Japanese war dead in Shanghai was unveiled last week in the pressure of a large gathering of Japanese military, naval and civil officials headed by Col. Prince T. Kaya, who served with Japanese Forces in Central China. Located at Tazang, scene of bitter fighting where the Japanese suffered the largest casualties when the hostilities were in progress at Shanghai, the memorial

87-081

was built by Chinese war prisoners and coolies, according to a Japanese report. The Japanese war dead were officially put at 20,000.

A new Japanese newspaper, the *Tairiku Shimpo* (Continental Daily News) will start publication at Shanghai on January 1, according to the *Shanghai Nippo*. Shinichi Fuke, who will be the president of the paper, is said to have completed preparations for its publication. The new journal, according to the *Nippo*, will serve as the organ for the expression of official and public opinions on Japan's national policies in China.

Asia Board Plans

Plans for the inauguration of the Asia Development Board, Japan's new central organ for dealing with China affairs, were further advanced last week, when regulations governing its organization were approved by the Privy Council.

The puppet Inner Mongolian Autonomous Government will soon have a large flock of Japanese officials, according to a Tokyo report. On Dec. 10, a party of fifty young Japanese departed for Inner Mongolia, where they have been assigned to serve as advisers, police inspectors and city planning technicians. Another group of 27 young men is scheduled to leave shortly.

Long out of the limelight, S. Kawagoe, nominally the Japanese Ambassador to China, came again into public notice last week, when it was officially announced in Tokyo that he was relieved of his post "on account of ill health." Hachiro Arita, Japan's Foreign Minister, announced that no new Ambassador to China will be appointed until a new Chinese Government has been organized and recognized by Japan.

Masayuki Tani, who has been stationed at Shanghai as Minister-at-Large in the place of Mr. Kawagoe, is reported to have been slated for the post of Ambassador to France, succeeding Yotaro Sugimura. The latter is said to be in poor health and "determined to resign to make way for younger talent."

Japan to Take All

The most important purpose of the recent trip to Japan made by a delegation of the Nanking regime headed by Liang Hung-chih was to make a formal offer of all economic rights in Central China to the Japanese Government, it was revealed by the *Ta Mei Wan Pao*. As the result of the offer, the Japanese are expected to take full control of the railways, telegraph and telephone systems in the Central China provinces. Under the pretext of Sino-Japanese cooperation, a large Sino-Japanese Railway Communication Company will soon be organized by the Japanese to operate the railways in Kiangsu and Chekiang provinces. Meanwhile a Central China Bus Company is also being formed to operate bus services on the highways between Shanghai, Nanking, Hangchow, Soochow and other major cities. Organization of a new Postal Administration is likewise being planned. It will assume control of all offices in the Japanese-occupied areas.

As to foreign interests in the occupied districts, the Japanese are planning to weed them out gradually. At present, they will try to prevent the foreigners from returning to their properties on the pretense of "military necessity." Later, the Nanking regime will adopt official measures to prevent foreign interests to operate their factories and shipping lines, on the pretext that the "new government" cannot be held responsible for the agreements which the Foreign Powers entered into with the National Government. Finally, according to the *Ta Mei Wan Pao* report, the "new government" will seize all the foreign interests by offering their owners valueless bonds to be issued by the "Reformed Government" as a compensation. The ultimate objective of the Japanese, it is stated, is to monopolize all the economic resources in Central China and to drive not the foreign interests entirely.

As an inducement to Chinese students to go to Japan to study, the Japanese Government is considering setting aside certain sums from the Japanese portion of the Boxer Indemnity Refund as scholarships, according to a report from Nanking.

Finances of the "Provisional Government" are claimed to have been placed on a stable basis as a result of the operation of the "Federal Reserve Bank" and the revision of the tax system, according to a statement issued by the Peiping regime. The statement cited as evidence of currency stability the decision of the Tientsin British Municipal Council to accept the "Federated Reserve Bank" notes in payment of taxes and bills.

Glasgow Bulletin

Scottish impression of Il Duce as a harbinger of European peace.

Hankow Puppet Escapes

Chi Kuo-cheng, chairman of the puppet "Hankow Peace Maintenance Commission," narrowly missed assassination on Dec. 6, when he was attacked by an unidentified assailant while asleep in his home in the ex-British Concession. Chi suffered severe dagger slashes and his wife was also wounded.

Another puppet unit sprang into existence at Hanyang (Wuhan), where Chang Hsing-shu and Su Teng-yun were "inaugurated" as chairman and vice-chairman, respectively, of the "Hanyang Peace Maintenance Commission." on Dec. 10.

Col. Matsumoto, Japanese staff officer, surrendered himself to the Chinese military authorities in South China, according to a *Ta Kung Pao* report from Hongkong. The Japanese officer was said to have expressed opposition to Japan's aggression in China.

The spokesman of the National Government officially denied the reports to the effect that a National Defence Government would soon be organized at Chungking and that Mao Tse-tung, Communist leader, would be appointed president of the Executive Yuan. The reports were described as Japanese fabrications aiming at creating dissension between the Kuomintang and the Communist Party.

Foreign Policy Told

Wang Ching-wei, chairman of the Central Political Council and deputy chief executive of the Kuomintang, whose statements lately gave rise to misgiving in many quarters, made another enunciation of China's foreign policy at Chungking on Dec. 7. According to Mr. Wang, China's basic foreign policy is to join hands, in a spirit of independence and self-determination, with the nations of the world sympathetic to the Chinese nation, for a united front to check Japanese aggression and establish world peace. "Therefore," he argued, "regarding our relations with Germany and Italy, we should do our utmost to prevent them from jointing our enemy's camp, while regarding our relations with Great Britain, the United States, France and the Soviet Union, we should do our utmost to bring about their taking joint and positive action against Japan."

Commenting on the forthcoming fifth plenary session of the Central Executive Committee of the Kuomintang, Mr. Wang expressed the view that the session might not be held in the near future due to the hostilities.

Addressing the Lawyers' Club in New York, Dr. Hu Shih, Chinese Ambassador to the United States, declared that China would fight on and there was no hope of an acceptable peace at present. After the fall of Hankow and Canton, Dr. Hu said, many Chinese despaired. "There were thoughts," he stated, "of taking whatever peace was offered us, but there was no chance of a peace that would be reasonably acceptable to the Chinese people. We had to fight on. Both time and geography are on our side, but victory can only come if we fight on. In a prolonged war, the time will come, when the international situation may change in our favor."

A Revolutionary War

Dr. Hu compared the Chinese forces and their recent setbacks with the early struggles of the American continental army. He described the present Sino-Japanese conflict as a "Revolutionary War," and said that China was now in a position similar to that of America during the War of Independence. "The Colonists," said Dr. Hu, "achieved final success because George Washington and his colleagues continued to fight on for six whole years and, as they fought, the international situation changed in favor of their cause."

The Sino-German crisis, caused by the failure of the German Government to set a date for the presentation of the credentials of the new Chinese Ambassador, Chen Chieh, is believed to have passed. According to an announcement by the spokesman of the Foreign Office at Chungking. Mr. Chen was scheduled to be received by Herr Hitler on Dec. 15.

Official circles at Chungking denied a rumor that Marshal Bluecher, commander of the Far Eastern Red Army, had recently participated in an important conference in China, and had demanded the participation of leaders of the Chinese Communist Party in the Chinese Government. It was pointed out that Marshal Bluecher had not visited China since 1927 and that China and Russia had pledged themselves not to interfere in each other's domestic affairs.

87-082

Munitions For China Moving Along New Burma-Yunnan Highway

BY T. LIU. (RANGOON)

AFTER persistent rumors and denials, it has been confirmed by the local newspapers that the newly-constructed Burma-Yunnan Highway was inaugurated on November 10, but reports that 392 lorries, fully loaded with munitions, left Burma for Yunnanfu immediately after the inauguration still remain unconfirmed.

Before presenting the outstanding facts regarding the Burma-Yunnan Road, I am convinced that it is necessary to speak candidly of the attitude of the Burmese towards the Sino-Japanese war.

The Burmese are, as Sir George Scott has written: "The most light-hearted people. The love of laughter is born in them. They have a most extraordinarily keen sense of humor, but are hopelessly credulous." They are reluctant to engage in any difficult business. At present, besides the monopoly of rice, oil, timber by the Europeans, most of the large and small enterprizes, whether in towns or in the country, are in the hands of the Indians; some remain in the hands of the Chinese, who had the upper hand some ten years ago. The Burmese, apart from a very small number of traditional landowners, possess nothing.

The poor farmers, of whom the majority are now subsisting on money obtained from the Indians and the Chinese at the rate of 50% interest to be paid in rice, are the only Burmese willing to do hard labor. As a result, the number of unemployed becomes larger and larger, and from the want of employment these people become dissatisfied with the present administration. Yet their paramount aim, which is to change the situation by attaining Burma's independence, amounts merely to a desire to displace the present master and get another, as they have acknowledged that they can not manage themselves, if they are given independence. And so they have discovered a master, the very same master as Siam has discovered.

Editors Said Bribed

I conversed with a Burmese officer, and in answer to a question about the opinion of the Burmese on the Sino-Japanese war, he frankly told me that according to all the Burmese newspapers, China is likely to lose. As a matter of fact, it is alleged that the Japanese have bribed the local Burmese editors with tens of thousands of rupees, and this seems to have borne fruit.

For instance, the Burmese women have traditionally used a kind of white, thin cloth which is manufactured in England, but now the press is promoting a native cloth called Pinni, of which the yarn is imported from Japan. (Burma will export 70,000 bales of cotton to Japan this year in accordance with the agreement). This movement is carried forward, as stated by a distinguished Burmese, merely to show that the Burmese hate Britain; and as Burma is lacking suppliers, Japan, the new master is welcomed. Japanese goods are swamping Rangoon.

At present, Sino-Burmese relationships are rather gloomy. A clash almost occurred twenty days ago under the encouragement of the new master, just after the clash with the Indians a month ago.

Some Outstanding Facts

Early in June, the consequences of the construction of the Burma-Yunnan highway were discussed throughout the country. At that time, a representative was sent by the local Chinese Chamber of Commerce for the purpose of further investment of capital in Yunnan. The Chinese community, however, kept silent, as they thought that the spread of the news would cause the Japanese and their agents to obstruct the construction of the highway.

On Oct. 24 the rumor was heard (according to official reports it is baseless) that the Chinese Government had made liberal concessions in connection with the settlement of the China-Burma frontier dispute, in return for the grant by the British Government of special facilities for trade and transport of goods over the frontier, help towards the construction of airdromes for an air service between China and Burma; and help in construction of a road between Burma and Yunnan. From that time, the people became more interested in the highway project.

The Burmese, from the beginning, stubbornly opposed the construction, their argument being that the opening of the road would give a convenient chance to thousands of Chinese to migrate into Burma.

Mr. D. Takaoka, member of the Japanese Diet "a politician and not a business man," came to Burma in the first week of this month. On the occasion of his visit to the Saunders' Weaving Institute, he said: "The Japanese would never act recklessly; their idea was to bring Manchukuo, China, and Japan together, and as Burma and Siam were Buddhist, all should combine together." His remark was commented on by the *Rangoon Gazette* which wrote that "it is legitimate to wonder whether the Japanese Foreign Office, if taxed, would admit instructing Mr. Takaoka to advise Burma to combine with Siam, China, Manchukuo and Japan."

The Government, however, is favorable towards China.

Immediately after the opening of the highway there came to Rangoon a British-owned ship, the *Stan Hall*, carrying 6,000 tons of arms and ammunition. The ship, according to a telegram from Tokyo, came from Odessa. Nevertheless, it excited the whole city.

A Japanese Threat

A Japanese official spokesman said that if permission were given by the British Government to transport the arms and ammunition from the *Stan Hall* to Yunnan, this would be considered as an unfriendly act on the part of the British Government. The Japanese Consul, moreover, told *The Sun*, a Burmese paper, that Burma can derive no advantage from the transportation of munitions, but only the possibility of air-raids. In addition, he remarked that as Burma is a young country, and so is Japan, they must co-operate.

The local Burmese newspapers, *The Sun*, *The Saithan*, *The Bandoola*, *The New Light of Burma* and *Progress*, or their agents, freely comment in a similiar way and to a similiar purpose, namely, that the transportation of munitions is detrimental to the inhabitants of Burma, in the absence of any arrangements made with the Japanese against possible air-raids. *The Deedok* is an honorable exception.

Munitions Move

Notwithstanding objections and threats, the 6,000 tons of arms and ammunition are being discharged here. The cargo was taken to the Government salt godown. The first cargo-boat, heavily guarded by military police, was unloaded and sixty-one field guns were placed in one of the godowns.

Four other steamers are expected to arrive in Rangoon by December 31. It is stated that their cargoes of munitions will be transhipped by river up the Irrawaddy River to Mandalay, from where they will be carried inland to Yunnan via Bhamo or Lashio and Muse.

In answer to the Japanese Consul that the Burma—Yunnan Road is of no use to the Burmese, I shall quote the following: "By virtue of its geographical propinquity, Burma is the best trade route for the south western provinces of China. With the completion of a highway and later the Yunnan-Burma Railway, a new chapter in the history of international trade is in the making. Through the port of Rangoon, China can import her industrial needs and export her mineral and agricultural products. Rangoon will soon become one of the busiest ports of the Far East; and to those with keen foresight, it provides a golden opportunity for private enterprises as well as public service to mankind."

Rangoon, November 27, 1938

Shanghai Customs Revenues Show Increase

According to information obtained from usually reliable quarters, the revenue collected by the Shanghai Customs during November showed a sharp increase, the total being in the neighborhood of $9,000,000. This is said to be the highest figure recorded since the outbreak of the Sino-Japanese hostilities, according to the *Shun Pao*.

The big gain in Customs receipts is reported to be due to the heavy increase in Japanese imports during the month. Consequently, the import duties collected amounted to as much as $7,000,000, or around $9,000,000 including transit dues.

Although this figure represents a big increase compared with other months after the outbreak of hostilities, it is said to be still insufficient to cover the Customs expenditures and payments on foreign loans guaranteed by this revenue. Before the war the monthly Customs collection amounted to around $20,000,000, but this later fell to between $3,000,000 and $4,000,000.

Kuling Foreigners Proceed to Shanghai

Thirty-eight foreigners, including 15 Americans, 15 Britons and eight Germans, forming part of the colony marooned at the Kuling mountain resort since the Sino-Japanese hostilites involved the Kiukiang area, proceeded down the Yangtsze to Shanghai aboard the Japanese military transport *Omi Maru* this week. Their evacuation was effected after three weeks of negotiations with the Chinese authorities by British and American representatives. More than 50 foreigners are reportedly remaining on Lushan mountain, having decided to stick out the winter. Most of them have property they wish to protect and there is said to be sufficient food available to last them the winter.

Sugiyama Succeeds Terauchi in N. China

Gen. Gen Sugiyama, former Minister of War and a Supreme War Councillor, has succeeded Gen. Count Hisaichi Terauchi as commander-in-chief of the Japanese Army forces in North China. Gen. Count Terauchi will assume a post on the Supreme War Council. He was appointed commander in North China last summer

Alaska Beginning to Loom Large in Great Problem of the Pacific

DESPITE the country's vast expanse, its immense and as yet scarcely tapped natural wealth, and—due to recent developments in the Pacific area—its by no means inconsiderable strategic importance, Alaska is a land which the rest of the world seldom bears about.

In the early part of this year it made headlines when the State Department in Washington protested the activities of Japanese salmon-fishing poachers in the country's territorial waters. More recently, it received mention when a proposal was made to throw the territory open to settlement by Jews driven from Germany and Austria. That Alaska is destined to loom large in Pacific affairs in the not distant future seems certain, in view of the fact that it is entering into serious calculation in connection with the recently-adopted policy of the United States which envisages defense of the entire Western Hemisphere against attack from any quarter. Only this week a *Reuter* dispatch from Washington mentioned Alaska as being under consideration for air and submarine bases.

Quite a few books have been written about Alaska, and a fair number of stories, notable among the latter being the adventure yarns of Jack London and Rex Reach. Yet the world at large has, for the most part, only a vague knowledge of the strange history of this remote northland, its peoples, its geography, its resources and industries. *The Story of Alaska** by Clarence L. Andrews, which has been brought out in a revised edition, is therefore to be welcomed. The author possesses an exceptional knowledge of the territory and commands a terse and colorful prose. The publishers, moreover, have contrived to produce a volume of unusual typographical excellence.

Back in 1892

Clarence L. Andrews first visited Alaska in 1892. Five years later he was with the party of the Duke of Abruzzi in the famous ascent of Mount St. Elias. In 1897, he entered the U. S. Customs Service in the District of Alaska, continuing therein for twelve years. In 1909 he was drafted for work with the Alaska Department of the Alaska-Yukon-Pacific Exposition in Seattle. There followed two years of work with the *Alaska-Yukon Magazine* and five more years of newspaper work and photography in Alaska. During the World War, Andrews served with the Red Cross, Northwest Division. Next, he worked in the Alaska Bureau of the Seattle Chamber of Commerce.

From 1923 to 1929 he was again active in Alaska with the Bureau of Education and Reindeer Service, part of this time being spent in the northernmost reaches of Alaska. His extensive travels all over the country, his acquaintance with many of the pioneers, and, finally, his knowledge of the Russian language, which enabled him to dig into archives relating to the period of Russian occupation, equipped him to tell a factual and entrancing story of this land which he learned to love.

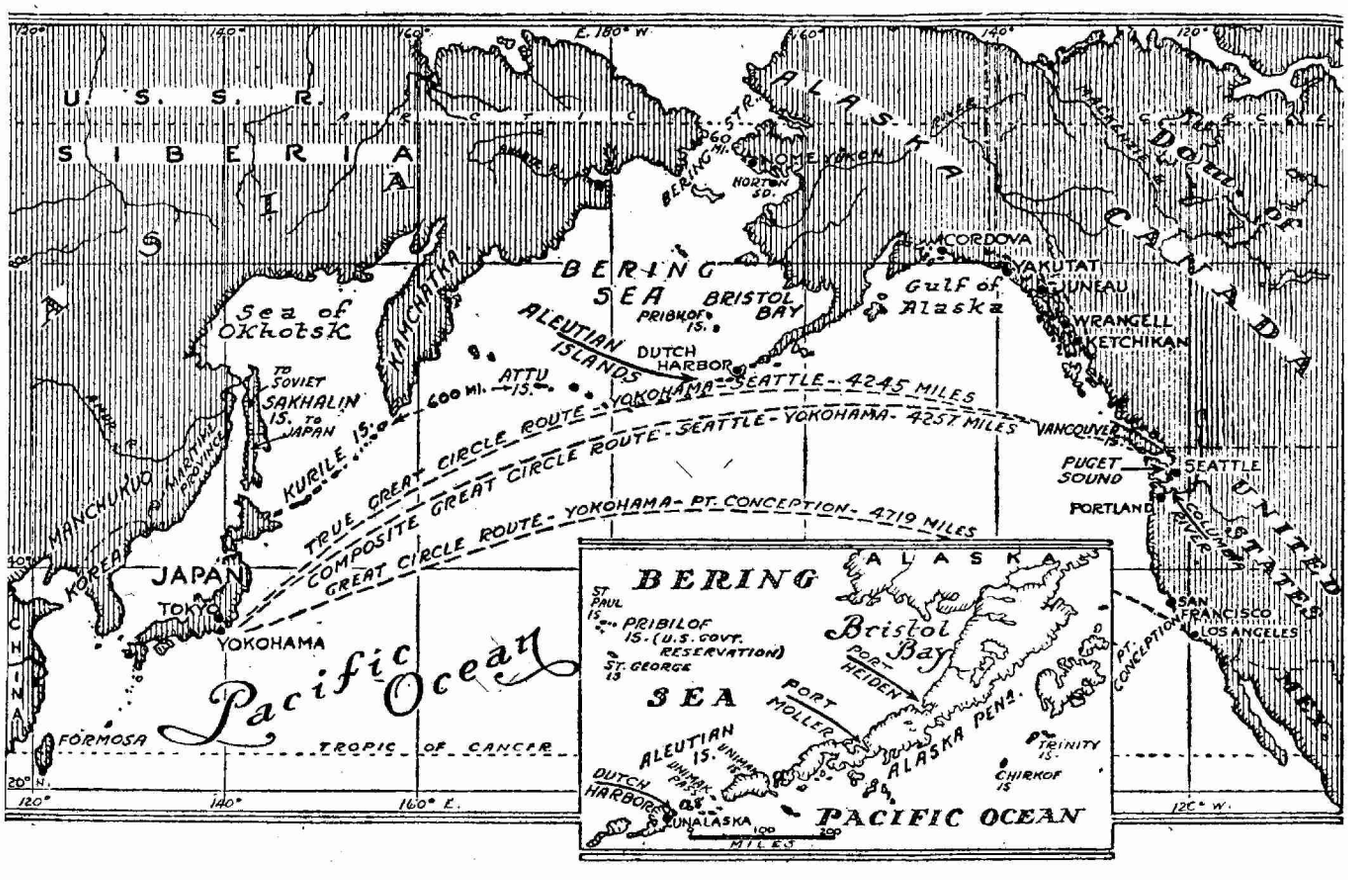
What is known of the history of Alaska dates back to the dawn of the eighteenth century, when Russian hunters, or *promishleniki*, as they were called, were extending their activities across eastern Siberia toward the Kamchatka peninsula in search of valuable fur animals. Russia at that time was conducting trade with China, exchanging furs and peltry, cloth, leather, hides, cattle and provisions for China's silk and cotton, tea and porcelain, rice and other products. This trade, regulated by the Treaty of Kiachta in 1728, was in reality barter, as the Chinese would accept nothing but silver bullion as exchange, while Russia forbade the export of coin.

Early Discoveries

Those were the days of Peter the Great, old Russia's greatest empire builder. From the hunters moving east tales filtered back to the imperial court at St. Petersburg of the new territories which were being discovered, of the great ocean lapping the eastern shores of this vast domain. Beyond that lay America. Interest arose in the possible discovery of a northeast passage from the Pacific to the Atlantic.

Peter commissioned the first expedition to explore the *terra incognita* represented by the great land mass and innumerable islands in the northern Pacific, giving the command to Vitus Bering, a Danish captain in the Russian Navy. As his assistants were chosen the naval lieutenants Alexei Chirikof, and Martin Petrovich Spanberg. Tzar Peter died in 1725, but Catherine, his successor, possessed a full measure of the lust for discovery and empire building, and continued the work Peter began.

In those days the task of preparing voyages of discovery was a long and arduous one. Thus it was 15 years later, in the year 1740, after several preliminary voyages, that the sailing ship *St. Paul*, commanded by Chirikof, and forming part of the Bering expedition, put out from Okhotsk, rounded the lower point of Kamchatka, entered the Bay of Avacha, and landed in a small harbor on the north side, where the voyagers founded the town of Petropavlovsk. A year later



**The Story of Alaska—By Clarence L. Andrews. Published by The Caxton Printers, Ltd., Caldwell, Idaho, 1938. 303 pp., Illustrated, with notes and index. Price U.S. $4.00.*

the discoverers sailed out over the gray, cold waters of the Bering Sea (so named after the expedition leader) and after a voyage of six weeks entered a bay on the eastern shore of the Gulf of Alaska believed to be the Sitka harbor of today. This was the beginning of what were to be known as the Russian possessions in America. For the next 126 years all territories opened up in Alaska and the neighboring islands were added to the Russian Empire. Russian domination ended with the United States purchase of the Russian holdings in 1867.

Andrews gives a graphic picture of Russian pioneering and exploitation in Alaska. The settlements and trading posts were all established in the coastal belt and on some of the islands. Hardy and adventurous as they were, the *promishleniki* scarcely penetrated to the vast hinterland, and that for the very simple reason that their purpose was to plunder the rich resources that lay readily at hand—the fur-bearing animals that abounded in the seas and along the coast. From observing implements used by the natives, they became aware of the presence of copper deposits, but made no attempt to exploit this mineral wealth. The difficulty, if not impossibility, of working such mineral desposits in those early times, is of course obvious, but since exploitable wealth in the shape of fur animals lay at hand for the mere taking, there was no compelling urge to undertake more difficult enterprises.

Ruthless Spoliation

Contributing but negligibly to the development and advancement of the new territories and their peoples, the activities of the pioneers assumed the character of ruthless spoliation of a virgin land. Hand in hand with this, as in all colonial enterprises throughout history, went the virtual enslavement of the native inhabitants.

The first Russian colony in America was established by the Shelekof-Golikof Company in August, 1784, at Three Saints Bay in the southeastern part of Kodiak Island, a place now almost forgotten by geographers. Storehouses, offices and dwellings were erected for a "factory" or trading center, all fortified against attacks by natives. From this beginning came more colonies in other parts, corresponding to the new discoveries made. Andrews credits Shelikof, the head of the company, with ambitious plans "contemplating the extension of the posts to the east and southeast even as far as to the present coasts of Oregon and California, the region then known as New Albion." The fur of the sea otter was the lifeblood of trade. The hunting of these beautiful, silky pelts was reduced to a science by Alexander Baranof, whom Shelekof appointed manager of the colony.

Shelikof returned to Russia where he devoted himself to securing rights to the fur trade of the whole of the Russian possessions in America. The Russian American Company which he formed was given a charter in 1799 by the Emperor Paul, under the terms of which all Shelikof's competitors were forced to abandon their activities. This must have been one of the earliest monopolies on record. The charter was renewed in 1821 for a further term of 20 years. "It included the use and enjoyment of all that had been discovered or might be discovered, (the right) to make new discoveries, (the right) to make new settlements and to construct works of defense." In 1844, the company was given a further 20-year charter under similar terms. It was during this period that whaling commenced in Alaskan waters, but the Russians, intent on fur gathering, left this lucrative enterprise to adventurers of other nations, especially the New Englanders.

U. S. Takes Over

On October 18, 1867, the Imperial Russian flag was hauled down from the mast at Sitka, to be replaced by the Stars and Stripes. The Russian colonies in America were no more. Andrews tells us: "During the time the Russian American Company had the lease of the colonies it shipped out nearly 4,000,000 skins, and of these more than 140,000 were of the sea otter, and over 2,500,000 of seal." This represented practically the total Russian accomplishment, if accomplishment it can be called. It savored of downright robbery. The natives benefited not in the least. A Mr. Sauer, secretary of an expedition sent by the Empress Catherine in 1787, reported of the traders at Unalaska: "These people lord it over the inhabitants with more despotism than generally falls to the lot of princes, keeping the (Aleutian) islanders in a state of abject slavery." This was true of all the Russian colonies in America, and the condition persisted substantially unchanged throughout the duration of the Russian occupancy.

By failing to entrench themselves economically, by failing to colonize the land with settlers, by conducting a policy of spoliation rather development, the Russians were doomed to lose their American possessions. An offer of $5,000,000 was twice made by the United States, but refused. "The influence of the Pacific States," says Andrews, "was favorable to the acquisition because of appreciation of the value of the fisheries, and a memorial was addressed to Congress by the Legislature of the Territory of Washington to that effect in 1866. There was also a strong influence exerted on the part of prominent fur merchants of San Francisco in favor of the purchase.

"At the foundation of the matter," according to Andrews, "was the fact that the Russians had been loosening their grasp on their possessions in America for nearly thirty years. The first step was the lease of the *lisiere* of the coast from Portland Canal to Cape Spencer to the Hudson's Bay Company in 1840. Next was the sale of Ross, in California. Then followed the failure to expel the Hudson's Bay Company from Fort Yukon when they placed that post in the Russian territory and there maintained it. Russia was averse to surrendering it to Great Britain, for she had been against them in the Crimean War, and had crowded them hard on their American borders. As a result of these influences the United States received the territory now known as Alaska."

What Was Acquired

Into the possession of the United States, at a cost of $7,200,000, passed a territory of 586,000 square miles, the average price being less than two cents per acre. With it went forests containing billions of feet of lumber, fishing banks and streams with millions of dollars value of the finest fish, mineral veins containing millions in value of copper, gold, lead, silver, coal and other minerals, thousands of fur-bearing animals, and groups of inhabitants numbering more than 30,000 souls distributed over various parts of the land.

While the Pacific States had favored the purchase, there was a considerable body of opinion which regarded Alaska as a "white elephant" and the $7,200,000 purchase price as utterly wasted. Choleric congressmen sarcastically referred to the new territory as "Walrussia," "Seward's Folly" and "Seward's Icebox." It was William H. Seward, then Secretary of State, who had negotiated the deal for the United States. How little was known of Alaska and its wealth! What would the critics say if they were alive today? In a period of 70 years, from 1867 to 1936, the value of Alaskan products totalled $1,962,941,319, but little short of two billion dollars!

How did Alaska fare when Uncle Sam took over? "Into Sitka," relates the author, "flocked a motley crowd of adventurers. Saloons and houses of prostitution opened for the first time in the land. Traders, speculators, politicians, gamblers, and harlots made their advent. On the one and only street of the village the front-foot values rose to dizzy heights." A century and a half of discovery and occupation by the Russians had closed and a new era was opening.

During the last thirty years of the Russian occupation, the Russian American Company had conserved fur animals by generally restricting the catch and establishing closed seasons for species which had neared extinction at the hands of the *promishleniki*. Now the bloody depredations recommenced, with Americans as the exterminators. From 1870 to 1880 an estimated 100,000 walrus alone were killed. "The result was almost to exterminate the animals in the Pacific, causing suffering and death among the Eskimos because of the taking of their food supplies in whale and walrus, thus throwing them onto caribou and seal, which were insufficient. The caribou were nearly exterminated, and the natives perished from famine and consequent pestilence."

Merciless Slaughter

The fur gatherers took 240,000 skins from the Seal Islands in 1868, the first year of the American occupation, as compared with the average of 17,820 skins taken annually during the last years of the Russian company's dominion. "From the rocky beaches, where all summer long the sleek, silver-colored seals lie, there have been harvested over $50,000,000 in furs since the Russians left them."

The slaughter of seal was fearful: "In 1878, men with sailing schooners began to follow the herd from the Oregon coast to the Seal Islands, killing as they went. The first year but one vessel was in pursuit. The number increased till in 1894 there were 110 in the fleet, and the take was 121,143 animals, males and females. Then they lay off the islands in wait for the mothers as they went to sea for food for the little ones on shore. The decks of the schooners were slippery with the blood and milk of the murdered mothers. Every one taken meant the death of two, *matka* and *kotik*."

Only the numerical superiority of seal and the ease which they could be captured placed them ahead of the sea otter, for the fur of the latter was worth ten times as much. But the sea otter were killed, too. From an average of 964 sea otter skins taken yearly between 1842 and 1862, the take was raised to an average of 4,784 between 1881 and 1890. The result was the destruction of the business and the almost complete extermination of the sea otter. In 1910 the take in the whole of the waters of Alaska was but 29 skins. A law prohibiting the taking of the animals on the high seas was then enacted, together with a sealing convention. The law is still in force and has led to an increase in the animals until poachers are now taking them illegally. In 1935, eight skins were confiscated as contraband.

The New Masters

If the Russians robbed and despoiled the land, behaving like swashbuckling marauders in the guise of colonists, the Americans did little better. According to Andrews, "Congress and the people of the United States seemed to have forgotten Alaska." Lawless adventurers held unchallenged sway. In the beginning, American possession was manifested solely by the stationing of a garrison at Sitka. There was no law and no civil administration. The military forces were withdrawn on June 14, 1877 after an occupation that lasted ten years. Says Andrews: "Their record during their occupation is nearly a blank page of history, the events being mainly punishments of Indians for quarrels initiated by their own (the soldiers') acts. In some ways the land was worse off at their departure than at

their coming. If we may believe the testimony of the time, the influence of the soldiery was devoted to debauching the inhabitants, both native and Russian."

After the military withdrawal, a revenue cutter was stationed at Sitka. This opened a period of naval control. But there was no government. Prior to 1880 there were not even "miners' meetings," that old judicial device of frontier regions. The powerful business interests which grew up in Alaska opposed the coming of the law. "They feared it would incur taxation and interference with their methods; would encourage settlers whom they did not want. The fur companies had the use of the natives to gather their profits. The fishing corporations brought Chinese to their canneries to do their work, while in Wyoming and California the Chinese were murdered because they were in the country." These men had the ear of Congressmen, who, originally hostile to the purchase of Alaska, were receptive to the idea that the country was only fit for ruthless plunder.

In 1885, Congress appropriated a total of $40,000 for educational work in Alaska. This for a land with an estimated population of 33,426 inhabitants scattered over 586,000 square miles of territory in which the difficulties of travel were well-nigh insurmountable! No hesitancy had been shown, however, in the expenditure of hundreds of thousands of dollars for maintaining the old garrison at Sitka for purposes which proved wholly destructive.

In Three Decades

By 1897, thirty years of American rule had passed. "The land that had been called Seward's Icebox in 1867 and about which some in Congress inquired 'Now that we have it, what shall we do with it?' had produced at the close of 1896 no less than $14,436,130 in gold, or over twice the cost of the whole territory." The whole return from the territory, including mining, fisheries, whaling, fur gathering, had been more than $75,000,000. "Not," the author comments, "a bad return upon a purchase price of $7,200,000.

Of the wealth extracted from the new land, little indeed went back to the territory in the form of civil institutions and improvements up to 1897. "Scarcely a light glimmered along the headlands; scarcely ten miles of wagon road existed." For schools, school buildings, salaries of officers, care of property, freight charges, etc., Congress had appropriated a total of $431,000 during the whole 30 years, although the U.S. Treasury had been enriched by more than $5,000,000 in revenues collected on seal skins alone. In the single year 1897, more than $15,000,000 in gold left the territory without yielding a penny for the upbuilding of civilized conveniences in Alaska.

Oregon was made a state in 1859. Alaska in 1897 had merely a caricature of a government. Oregon had land laws, while Alaska in 1880 had none at all. Large areas of land had been surveyed in Oregon as early as 1852; it was 1905 before an acre was surveyed for settlement by the government of Alaska. Congress wailed over the cost of maintenance of the territory. So vehement were the wails that Captain James Carroll, one of the numerous self-appointed delegates who went to Washington, D.C., appeared before Congress and with a royal gesture offered to take the incubus off their hands at double the original purchase price.

The uncovering of the mineral wealth of Alaska, signalized by the gold strikes at the end of the nineteenth century, gradually forced a belated "recognition" of Alaska and with it recognition of the need to substitute planned exploitation of the resources of the territory for the old method of planless spoliation. Andrews gives a vivid sketch of the great Klondike gold rush and its influence upon the country's development. In 1906, a delegate from Alaska was elected to Congress, but the old sneering attitude toward America's newest possession still persisted. Although elected to represent more than 50,000 people, the delegate had no vote in the assembly! It was not until 1913 that a legislature met at Juneau, the capital, and to this day it does not enjoy full control over territorial revenues.

Progress Made

Much progress has been made since then. Towns have sprung up, railroads and roads have been built. There is a civil administration. The educational system has been extended. Some aid has been given the natives who suffered so much at the hands of the piratical pioneers. Only the surface of Alaska's huge wealth has been scratched. While but 35 per cent of the territory has been geologically surveyed, it has already been estimated to conceal 30 billion tons of coal. Some veins are hundreds of feet in thickness and alternate with vast beds of the finest fire clays. There are five prospective oil fields. Seepages have been discovered on the Arctic coast east of Barrow, and already there are wells yielding high-grade gasoline near Katalla. Gold, silver, copper, lead and other minerals are found in abundance. The Alaskan salmon fisheries today supply over one-half of the whole production of the world. The forests of Alaska are fourth in rank in the United States, with an estimated board measure of 87 billion feet. The Bureau of Forestry estimates that a billion feet may be cut annually without diminishing the supply.

More than three-fourths of the area of Alaska lies within the North Temperate Zone and may be utilized for the grazing of dairy herds or for sheep or hogs. Of farming lands, government reports show that in the Yukon and Tanana Valleys there are 4,500,000 acres, and in the Cook Inlet-Susitna Valley region 1,296,000 acres.

Yet in all this fertile and fabulously wealthy land there was in 1930, according to the Fifteenth Census, a population of only 59,278 persons. This figure includes the white population; the Eskimos, who live from Kodiak north to Barrow and east to the Canadian boundary; the Aleuts, who inhabit the long chain of the Aleutian Islands; the Tinneh or Athabaskan Indians of the interior; and the Thlingit, Hydah and Tsimpsien Indians of the southeastern coast.

What of the Future?

No wonder the thought has occurred: Here is a land, badly in need of settlers, which would be ideal for the transplantation of persecuted victims of fascism in Europe, now driven from their homelands and with no place to go! That some large-scale scheme of migration would be advantageous both to the immigrants and to the United States can scarcely be doubted. Certainly an unsettled country, especially a country of such tremendous wealth as Alaska holds, invites seizure by some power hungry for territory and riches. Russia lost Alaska because she chose to rob the country rather than settle and develop it. America has done better, but not much better. Alaska is still made to yield up her riches for a miserly return.

Washington is seemingly alive to the danger, at least in some of its aspects. Realizing that in the event of war with Japan it would be next to impossible to prevent Japanese seizure of Alaska, plans are under consideration for the construction of a 2,200-mile all-weather highway from Seattle to Alaska through British Columbia. Cost of construction, concerning which parleys are believed to be under way between the United States and Canada, has been estimated at anything between $15 and $20 millions. As matters now stand, Alaska is out off from the United States by Canada. It is still a land of trackless forests, unnavigable rivers and mountain barriers. In an emergency, it would be impossible under existing circumstances to rush American troops for the defense of the territory. The proposed highway would largely solve this military difficulty, in addition to helping settle and develop the country. A few American settlers were dumped into Alaska under a U. S. government scheme in 1937. No adequate preparations were made and the new arrivals, without proper assistance, soon lost heart, drew up stakes and left. The settlement of Alaska is a vast problem requiring organization and financial aid to settlers. No small-scale makeshifts will do.

F. G.

China Passports to be Issued by Customs

Passports for Chinese nationals and Russian emigrants in Shanghai desirous of going to the United States may henceforth be obtained from the local Customs authorities, who will act on behalf of the Chinese National Government, it was reported this week.

The new arrangement is understood to have been decided upon by the American Consulate-General in Shanghai and representatives of the Chinese Government.

Since the withdrawal of the Chinese troops from the Shanghai area, it is recalled, the Shanghai office of the Ministry of Foreign Affairs had been removed from this city, thus causing great inconvenience to people, including students and business men, desirous of going to the United States.

This inconvenience was greatly heightened with the fall of Canton and Hankow, the last cities nearest to the coast where Chinese passports could have been obtained.

Similiar arrangements between the National Government and the consular authorities of other nations were reported to be under consideration.

The Chinese Invoice Office at Hongkong is prepared to receive applications for passports from Chinese wishing to travel abroad as from December 12, according to an official announcement. The consent of the British authorities is understood to have been obtained for the exercise of this additional function on the part of the Chinese Invoice Office, which has been found desirable because of the fact that Chinese passports are no longer obtainable in the Japanese-occupied coastal regions.

Tunnel Committee Meets in Tokyo

A committee formed to prepare plans for the Shimonoseki-Fusan under-sea tunnel held its first meeting in Tokyo Dec. 6, *Domei* reported.

After geological surveys by Mr. Koichi Hirota and Mr. Kan Watanabe, engineers of the Construction Bureau of the Ministry of Communications, the new committee will make technical studies of submarine geological conditions.

Studies of the earth structure 200 meters under the sea will require several months. The committee will be assisted by the Ministry of Communications, shipping companies, the Government-General of Korea and other organizations.

The projected tunnel is to run under the sea from Shimonoseki to the islands of Iki and Tsushima, and again go under water until it ends at Fusan in Korea.

Its total length will be about 120 kilometers and it will cost about Y1,000,000,000. Locomotives on a broad gauge track will connect Shimonoseki and Fusan in about two hours.

United Kingdom Ranks First in Trade, Capital Investments

THE greatest power today both in capital investments abroad and in world trade is still the United Kingdom. In both fields, the mother country of Imperialism far outstrips her nearest competitors.

First in importance in British capital investments is that sent east through the Mediterranean and the Suez Canal. The greatest amount is exported to Australia, and the second largest sum to the Singapore area and Hongkong. Compared to the amount invested in these first two groups, the amount of British capital exported to Japan is very small. The second important route for British capital leads to South America, where Argentina, Brazil, and Chile are the chief fields for investment. Canada is third, and the United States ranks fourth on equal terms with South Africa.

France's capital also follows the Mediterranean for its major investments. As might be expected, the greatest number of francs find their way to the French possessions in North Africa. Egypt is second on the list, followed by China and French Indo-China which share equally in the French investments. France's second main line of capital exportation is to South America, chiefly the Argentine. The third place is shared by the United States, Mexico, and Eastern Europe.

U. S. Investments

The third great power in capital investments is the United States. In spite of the Monroe Doctrine, far more U. S. dollars find their way to Europe than stay in the home hemisphere. Most of the American capital is invested in Germany, with France taking second place. Other U. S. capital goes to Italy, Scandinavia and the United Kingdom.

The next most popular road that the American dollar travels is to South America, first to Brazil and the Argentine, and second to the Caribbean countries, Peru, and Chile. Mexico and Cuba share honors for third place. Compared to American capital movements to Europe and South America, the Far Eastern investments of the United States are extremely small.

In the field of world trade, it is significant that exports to the Far East from European countries are not half so large as those arriving in Great Britain and on the Continent from the Orient. The United Kingdom takes the lion's share of the world's Far Eastern trade. From the East by way of the Red Sea and the Mediterranean, her largest imports are from Australia. India sends her the next greatest amount of goods. New Zealand, the Singapore area, and the Netherlands Indies come third.

What is left over after Great Britain takes her part of the Far Eastern trade is divided with Germany, first; France, second; and the remainder shared between Italy, the Netherlands, and Belgium. About half of the United Kingdom's exports go to India; Australia gets most of the rest; and the small remaining part is distributed throughout the Far East.

Atlantic Trade Route

Trade across the Atlantic is far less important than the Far Eastern route. The United States is the greatest export nation on the western side of the Atlantic, sending goods to the United Kingdom. Second in importance for movements of exports across the Atlantic to Great Britain is South America, chiefly Argentina. The Dominion of Canada only takes third place in exports to her mother country. Exports from Great Britain across the Atlantic go chiefly to the United States, Canada, and the Argentine. Germany ranks second in exports.

United States trade is chiefly across the Pacific and between the two Americas. By far the largest export trade to the American republic is carried on by Japan. The Netherlands Indies are second, British India China and the Philippines, third. The rest of the American imports from the Far East are supplied mainly by Singapore and British Malaya. The bulk of America's exports are sent to Japan (including Manchuria). The remainder goes to Australia, the Philippines, Singapore, and China.

The amount of trade between the two Americas is much smaller than that of the Far East or between European countries. Imports of the United States come chiefly from Brazil. Cuban sugar and tobacco take second place, and Mexico ranks third. The United States exports most goods to Mexico, second to Brazil, and third to Cuba.

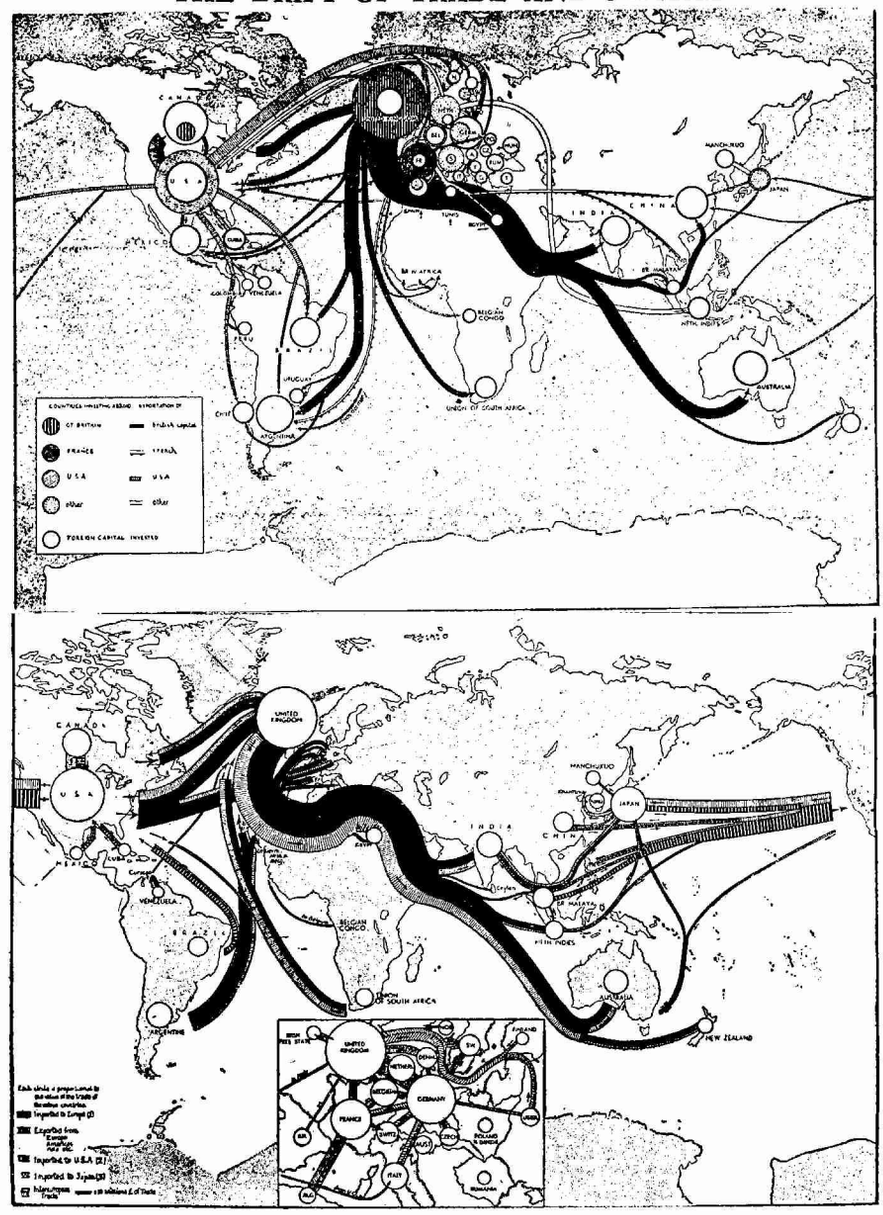
Inter-European Trade

The United Kingdom also takes first place in inter-European trade. This is carried on in greatest part through the North Sea and Baltic Sea. Second in importance in trade on the Continent are Germany and France. Most of Germany's trade is with Italy and France, but a large amount is also done with Great Britain and Switzerland.

Third largest inter-European trader is France. Although most of France's trade comes from across the Mediterranean, it is listed as inter-European since both Tunis and Algeria are incorporated into the French state. Second best customer for France is the United Kingdom. Third are Germany and Belgium. The fourth group of European traders includes the Netherlands, Belgium, and Italy. Most of the trade of the first two nations is trans-shipment of goods. Germany is Italy's largest patron.

Germany receives the largest share in trade from two of the next ranking trading powers, Sweden and Switzerland. However, Denmark sells most of her goods to the United Kingdom. Of the last group, only Norway trades most with Great Britain. Finland, Poland, Rumania, and Czechoslovakia all count Germany as their biggest patron. German trade has increased in amount since the annexation of Austria and one-fifth of Czechoslovakia, but it is still far inferior to that of the United Kingdom.

THE DRIFT OF TRADE AND CAPITAL



The Tribune, London

(Above) International movements of capital after the World War until the slump of 1930. (Lower) How the Great Powers have shared world trade since the World War.

New Fourth Army Springs Into Limelight as Leading Guerilla Force

THE latest and most important development in China's guerilla warfare against Japan is the rise to prominence of the New Fourth Army under the command of General Yeh T'ing, with Han Ying as vice-commander. This new force operates near the banks of the Yangtsze in the Kiangsi-Anhwei-Kiangsu border region and should not be confused with the Cantonese Fourth Route Army which has sometimes erroneously been credited with guerilla activities around Shanghai and Nanking. Most spectacular of the New Fourth Army exploits around Shanghai occurred last August when fighters belonging to this unit planted the Chinese national flag on the Hungjao airdrome.

The nucleus of the New Fourth Army consists of former Red Army troops which had remained in the southern provinces of Honan, Anhwei, Hupeh, Hunan, Kiangsi, Fukien, Chekiang, and Kwangtung after the main forces of the Red Army started on their "long march" to the northwest in 1934. The Red Army in the northwest, which eventually established a communist government at Yenan in northern Shensi, was reorganized into the Eighth Route Army after the Sian incident.

The rifle here shown being used in practise was made in a New Fourth Army arsenal.

Similar efforts were made at that time to organize the red forces left in the south, but the difficulties of organizing troops scattered over eight different provinces into a fighting army was admittedly great. It was not until April of this year that the New Fourth Army received official recognition from the government. It then numbered 12,000 troops and has since been increased to 60,000.

Won 49 Battles

According to reports reaching here from Army headquarters in Anhwei, the Fourth Army has engaged the Japanese in 50 battles, only one of which was a defeat for the guerillas. Their first major victory came at Tsiangchiaho where they attacked a Japanese regiment, inflicting a great number of casualties and capturing large quantities of rifles and ammunition.

The commander-in-chief of the new army, General Yeh Ting, studied military tactics both in Soviet Russia and for five years in Germany. His forces are divided into four detachments operating as guerilla flying units in Anhwei and Kiangsu provinces. Only one detachment is active north of the Yangtsze River. Reliable reports state that the guerillas are operating over a wide area, and that one small detachment some weeks ago penetrated within five miles of Shanghai.

The new army leaders are making strenuous efforts to organize the civilian population of the two provinces into partisan units to fight along the same lines adopted by the Fourth Army commanders. Chiefly, these are to conduct the following kinds of warfare:

1. Partisan warfare and attacks against small Japanese units.

Pictures of Lenin and Stalin with Sun Yat-sen and Chiang Kai-shek adorn the walls of army buildings.

2. Destruction of railways, highways, and other Japanese communication lines, and blasting of bridges and viaducts.
3. Capture or destruction of Japanese trucks.
4. Attack upon and occupation of railway stations which are set afire before the forces retreat.
5. The killing or capture of Chinese traitors.
6. Capture of ammunition, foodstuffs, money, and Japanese military documents.

Wherever the Japanese are forced to retreat, the "puppet" regimes are destroyed, and local self-administration and self-defense units organized.

Medical Facilities

The New Fourth Army has also established base hospitals and clinics which are attended by civilians as well as soldiers. Two such hospitals and three clinics have been set up near the army headquarters. Two more base hospitals are located further up the Yangtsze with two receiving stations for wounded. The surgical base hospital located near headquarters is said by an American women working with the Chinese Red Cross to be the best of its kind in China. Its organization, she states, compares favorably with any foreign hospital in this country. Not only does it do laboratory work of a very high standard, but it even has workers making all kinds of metal and wooden boxes and bamboo "bottles" for medicines.

Since it is estimated that the number of Chinese wounded now totals around 600,000, it can easily be seen that the greatest problem now facing the New Fourth Army, in common with all armed forces in China, is that of fighting disease and injuries with little or no medical supplies. It is stated that the fall of Wuhan was caused by more than military reasons; 60 per cent of the defending forces had malaria. Although the hospitals already established have even now great need for medical supplies, still greater difficulties are foreseen when the Japanese succeed in cutting communication lines of the Anhwei headquarters. The most serious disease is malaria, which effects a large percentage of the civilian population and the troops, and for which very little quinine is available. Scabies is also a widespread disease which lowers the strength of the armed forces, but the hospitals have only enough vaseline and sulphur to treat he most serious cases.

This woman doctor treats the wounded of the New Fourth Army.

Other Diseases

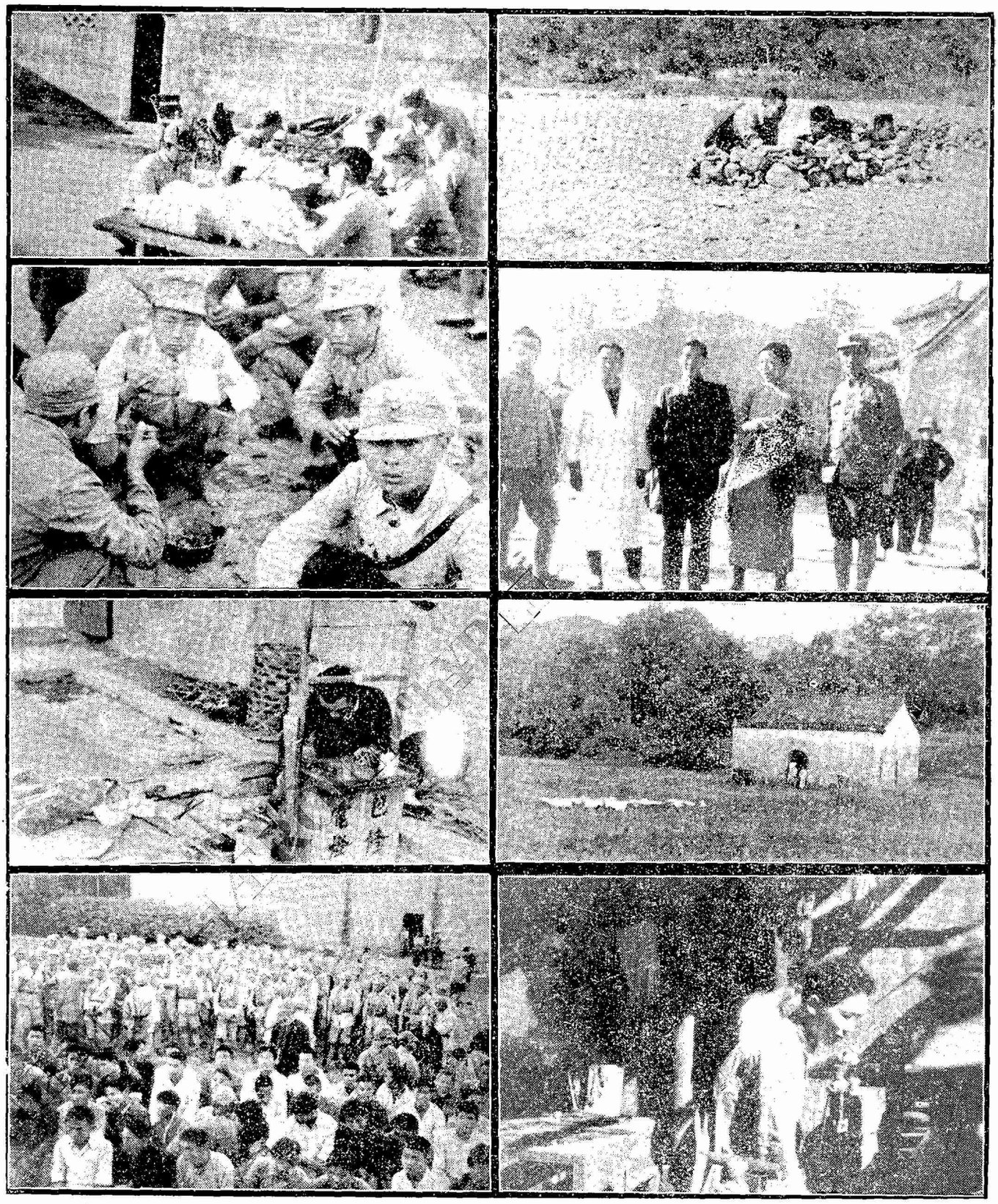
Other diseases prevalent in the New Fourth Army and in the area under its control are smallpox, for which there is no vaccine among the hospital supplies, and tracoma which radically lowers the efficiency of all those infected with it. Tuberculosis is widespread in the Army due to past years of malnutrition. Medical work among those suffering from leg ulcers and hookworm is also handicapped by lack of supplies.

The New Fourth Army is making an attempt to supply some of its own medical needs. The headquarters are situated in the center of a cotton-producing region, and although the short staple cotton fiber is not too good, it is hoped that bandages and cotton gauze can be made successfully.

In the New Fourth Army districts many small industrial cooperatives and machine shops have been established for the benefit of both the civilian population and the army. These shops manufacture rifles and other small arms, while surgical instruments are fashioned from scrap metal. Hundreds of Shanghai workers and their families have emigrated to Anhwei. Most of them are former inmates of Shanghai's refugee camps. It is hoped that enough mobile industries

87-088

SCENES OF ACTIVITY IN THE AERA OF THE NEW FOURTH ARMY



These pictures of the New Fourth Army, now China's largest and best organized guerilla force, were taken very recently near the Yangtsze River in the Kiangsi-Anhwei-Kiangsu border region. From the top, left to right, they show (1) Soldiers and civilian helpers making surgical cotton and bandages from short-staple cotton. (2) Guerilla fighters at machine-gun practise behind a rude rock shelter. (3) Youthful warriors partaking of a meal. (4) Figure in white is Dr. Sheng, director of the Army's medical service; to his left is Dr. Tsiu, hospital chief, with Miss Yang, chief nurse. (5) A worker engaged in fashioning surgical instruments from scrap metal. (6) One of the New Fourth Army's hospitals. (7) Soldiers and civilians gathered for a "pep talk. (8) An Army "arsenal" where, under great difficulties, rifles and other light weapons are manufactured.

87-089

can be organized to take care of the constant influx of impoverished refugees and students.

That the communist forces do not consider themselves as separate entities in the Chinese war of resistance was made clear in an address by General Chow En-lai at a meeting of Chinese press representatives on October 5. The Red Army is a part of the whole Chinese plan for turning back invasion, and the Japanese policy of " With

A view of one of the New Fourth Army's very primitive arsenals.

the Chinese against the Chinese! " has suffered serious setbacks, he said.

Conditions of Victory

There are four necessary conditions for victory, the Communist leader declared, and these make it certain that, while China cannot expect a speedy victory, she is still not lost. The conditions he outlined are :

1. The equilibrium of forces in positional warfare in order to enable the Chinese army to check the advance of the enemy ;
2. Strengthening and growth of partisan warfare in order to weaken the enemy's forces and prevent their further advance ;
3. Large-scale training of recruits and organizing of new armies in order to prepare for a counter-attack ; and,
4. Attention and correct judgment on the international situation in order to prevent the isolation and blockade of China.

Important in the guerilla army's program of development are military education and general education. Special attention is paid to the topography of the Yangtsze river region. The New Fourth Army headquarters are located in as impregnable an area as can be found in central China and can be defended, it is hoped, indefinitely. The strategy and tactics of guerilla warfare and defense measures against the enemy's airplanes, tanks, and heavy artillery are extensively studied. In the course of time, the guerillas have extended their activities from the mountainous areas to the plain and lake regions. Now guerilla warfare is no more bound to the mountains, but, it is said, can be carried out over vast areas with success.

Japanese Sects Plan China Mission Work

Representatives of all religious organizations in Japan, comprising 68 Buddhist sects, 13 Shintoist sects and 12 Christian groups, held a conference in Tokyo Dec. 8 to formulate plans for missionary activities in China.

Japan Building Railroads in Mongolia

Though engaged in an extensive military campaign in central China the Japanese Army has not been neglecting the strategic situation in Inner Mongolia, writes the *Far Eastern Survey* of the Institute of Pacific Relations. Early in the present war, it gained control of the Peiping-Suiyuan railway, thus dominating Inner Mongolia and flanking the Soviet position in Outer Mongolia. This primary objective attained, the Japanese have proceeded to strengthen their newly won position. Only a single railway line connected Inner Mongolia with the Peiping-Tientsin area, which in turn had only a single rail connection with Manchuria along the Peiping-Mukden line. The obvious necessity was the construction of alternative routes.

The first alternative link was placed in operation on April 1, without fanfare and with very little attention being paid to it in foreign quarters. This was the Chengteh-Kupeikow line, connecting Chengteh (Jehol City) capital of Jehol province, with Kupeikow, one of the Great Wall passes. It joined the Kupeikow-Tunghsien line, another newly constructed railway, which in turn linked up with an existing line to Peiping. At the other end the new line ties in with the Manchurian railway system via the Chengteh-Chinchow line, which was completed about two years ago.

These two lines, Chengteh-Kupeikow and Kupeikow-Tunghsien, which together filled in the gap between Peiping and Jehol province, were begun after the outbreak of the war and were rushed to completion. The Chengteh-Kupeikow line, 106.2 kilometers in length, was built by the South Manchuria Railway Company in six months. As it traverses mountainous country, it must have been an expensive undertaking. At the three most difficult passes, a total of sixteen tunnels had to be bored. As the result of the construction of this new line, there are now two rail links instead of one between Manchuria and the Peiping-Tientsin area. The direct route of the Peiping-Mukden railway will of course continue to carry the bulk of the traffic, for the new route through Jehol province is somewhat roundabout and is primarily a strategic line. It is, however, only the first step in the Japanese railway program in North China.

At the time the Chengteh-Kupeikow line was completed, the account in the *Manchuria Daily News* mentioned the junction at Lahalin signal station with an " unnamed " line. This " unnamed " line refers to a railway under construction to Dolonnor in Chahar province. According to the last report, about one half of this line had already been completed. When this line is finished and eventually linked up with the Peiping-Suiyuan railway, the Japanese will have a strategic line of outstanding importance, a direct route from Manchuria to Inner Mongolia, without going the roundabout way via the Peiping-Tientsin area and Nankow Pass.

Additional roads may be under construction in other parts of North China and Inner Mongolia, but nothing is known of them. It would not be surprising because one of the first steps in Manchuria was the construction of a wide network of railways. There is said to be already in existence a five-year plan for railway and harbor development. It calls for an outlay of Yen 690,000,000, of which Yen 140,000,000 will be for harbors, Yen 140,000,000 for new railways, Yen 170,000,000 for the improvement of existing railways and Yen 140,000,000 for new rolling stock. Any large scale activities in North China must await the outcome of the war, but the above reports of current rail construction reveal that the Japanese Army is consolidating its communication lines in Inner Mongolia.

Canton to Replace Hongkong as Seaport?

Prominence was given Dec. 8 by the Tokyo *Miyako* to a special article predicting that Canton will replace Hongkong as South China's principal seaport. According to the journal, an investigation by Japanese conservancy experts revealed that Whampoa was capable of accomodating ships of more than 7,000 tons.

Co-operation with the Portuguese authorities in improving Macao harbor into the Orient's best equipped port was regarded the "simplest and best" way for Japan to effect economic development in South China, the Macao correspondent of the Asahi Shimbun reported Dec. 10.

Three alternatives were listed by the correspondent as possible in obtaining a harbor to rival Hongkong. One, he said, was by constructing a large harbor at Whampoa, another by constructing a harbor at Chungshan on the western shore of Canton Bay, and the third by improving Macao harbor and connecting it with Canton by a railway line. This, the correspondent said, could be effected through an understanding with Portugal.

The first and second alternatives were dismissed as involving heavy expenditure, the correspondent recommending the third plan as most feasible in view of the friendly attitude of the Portuguese authorities, including the Governor of Macao.

Macao's foreign trade annually aggregates $42,000,000 of which three-quarters represents Japanese merchandise handled by Chinese and Indian merchants, the correspondent reported.

Purge of G. P. U. Follows Yezhov's Fall

The removal of Nikolai Yezhov as head of the Soviet Commissariat of the Interior, new name for Stalin's G.P.U. or secret police, came last week as a reminder that the purge of Soviet officialdom is still proceeding unabated. Levrenti Beria, Yezhov's successor, is, like Stalin himself, a Georgian.

According to a *Transocean* message from Warsaw on Dec. 10, no fewer than 470 of Yezhov's collaborators and 130 high officials of the secret police have been thrown into the grim Lubyanka Prison following the downfall of their erstwhile chief. They are charged by Yezhov's successor "with having arrested valuable party members while real Trotskyists and other enemies of the people were left at large." Two of Yezhov's closest collaborators, Volkov and Serman, are reported to have been shot.

Japan's Birth Rate Shown Declining

Japan's birth rate for the first three months of this year dropped 43,105 compared to the corresponding period in 1937, the Cabinet Statistics Bureau announced last week. Births totalled 401,605. A decrease in the death rate during January, February and March also was reported. Deaths totalled 279,293. This was a drop of 2,463 compared to 1937 figures.

Excess of births over deaths for the same period was 122,312, which was 20,642 fewer than last year. The total birth rate for the first half of this year was 1,082,756 as against a death rate of 634,612.

87-090

Chinese Junk Models Displayed In London

Replicas of Ancient Chinese Ships

THE *China Weekly Review* of Nov. 5, reported that Mr. Quo Tai-chi, China's Ambassador to London, inaugurated a private showing of a collection of large-scale models of Chinese junks, presented to the Science Museum in London by Sir Frederick Maze, Inspector-General of the Chinese Maritime Customs.

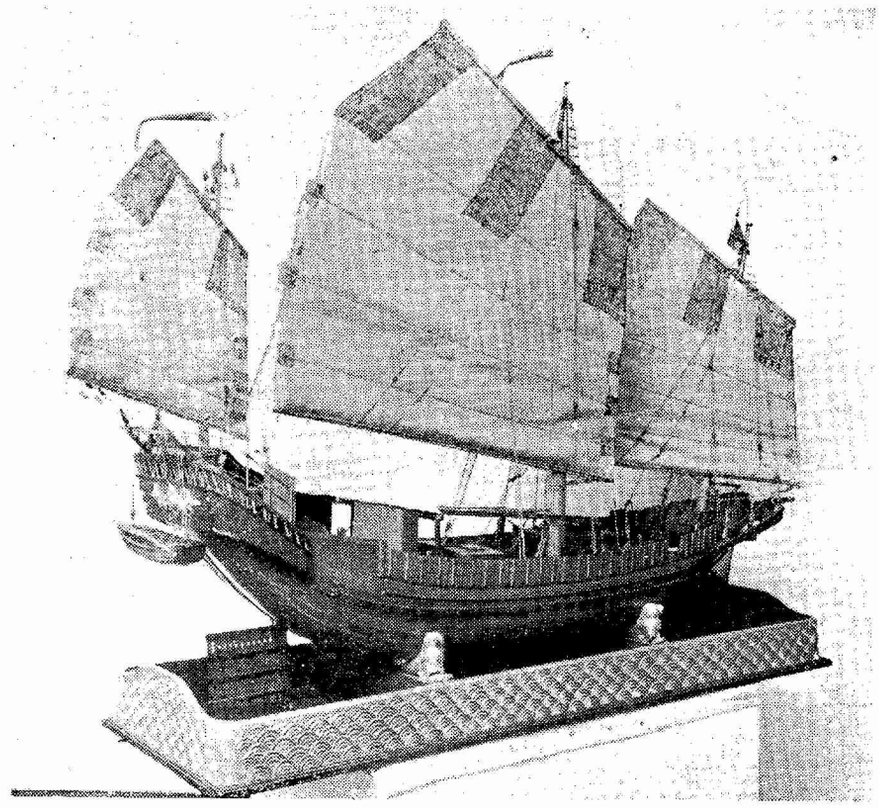
This week, the *Review* received photographs of the London display, two of which are reproduced on this page—a Lorcha and a Hainan sea-going junk. Their descriptions follow:

The island of Hai-Nan at the southern extremity of China has long been famous for the speed and sea-going qualities of its junks. In general they are not very unlike the junks of Hongkong, slightly further north, and like them they are built with an external keel and with a vertical stem. Both these features would appear to be of European origin but, if that is so, the adoption of most of these feaaures must be very ancient.

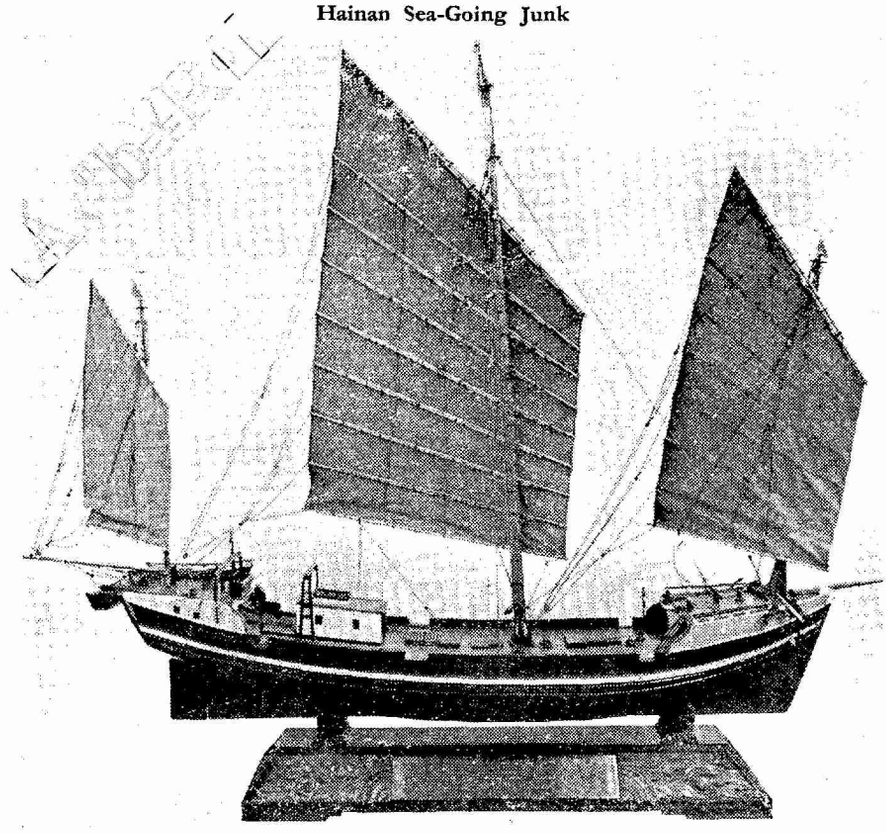
The Hai-Nan junks still retain the mat sails so typical of Chinese craft but their heads are rounded in the fashion of Southern China and are not cut square as are those of the North. The model shows a curious round stern which is quite suggestive of those of the middle of the 19th century.

Perhaps the most typical feature of a Hai-Nan junk is that it is fitted with a drop keel or center board laced just forward of the main mast. Such a fitting seems to have been introduced into China long before the end of the 18th century, when it appeared in Europe, and these drop keels serve to assist a vessel in holding its course against a head wind, just as the drop keels of the sailing rafts of Formosa, and thus to assist the rudder. The rudder is of rectangular form with holes through it for the purpose of assisting the helmsman. Dimensions:—Length, 84 ft.; breadth 18. 2ft.; depth 5.2 ft.

The name Lorcha is of Portuguese origin, and these vessels were chiefly seen in the early decades of the last century, in the South. Their hulls are built according to European style, but their sails are of the well-known Chinese design. They were extensively used by certain foreign interests for opium running in the past, and they were also used to suppress piracy. They were therefore designed for speed; but later they were built on fuller lines, and were used solely for the carriage of cargo. The photographs represent the latter type. It may be noted that the bowsprit remains, although the forestay formerly attached to it has long since dipeared.



Hainan Sea-Going Junk



A Lorcha

Yunnan-Kweichow Rail Link Is Planned

In addition to the Sukun and the Kunming-Burma Railways, the Chinese authorities are now building a railway to connect Yunnan and Kweichow Provinces for the development of the Southwest, the *Shnn Pao* reported last week.

The Yunnan-Kweichow Railway will connect Kunming, capital of Yunnan with Kweiyang, capital of Kweichow via Malung, Luliang, Shihchung, Hsinyi, Anlung, Tsengfoong, Kwanlin, and Anshun.

Survey work for the line, which was started last March, is reported to have been completed and the cost of the survey work was around $110,000. Construction of the railway will be started in the near future.

Japanese Ban Hunting in Shanghai Area

A ban on hunting in the Shanghai area was announced last week by the Japanese military authorities. The ban, it was stated, applied to all persons, irrespective of nationality, including Japanese. While expressing "regret" that the measure would impose restrictions upon freedom of movement, the army spokesman said the ban was nevertheless "unavoidable in those areas which are still under military control."

Land Reclamation Schemes Employ a Million Chinese Refugees

ACCORDING to estimates made by relief organizations in Shanghai, the *Shun Pao* stated last week, at least one million refugees have been sent to various provinces to develop uncultivated land. This movement of refugees was organized by the National Relief Association and the ministries of finance, economic affairs and interior.

In Yunnan, Pushih, Kwangnan and Fuchow districts have been set aside for reclamation purposes. These three districts are capable of providing land for at least 1,000,000 people. In West Hunan, the Fenghuang district has been set aside for reclamation purposes. In Kiangsi, Kisui, Kian, Taiho, Kwangfoong and other districts are being settled by these refugees. According to present arrangements, each refugee is given 20 mow of land.

Under the auspices of Mr. Chen Chia-keng, well-known Chinese rubber magnate, a West-China Reclamation Corporation will be inaugurated in Chungking on Jan. 1 next. The Corporation will be capitalized at $10 millions, and will utilize war refugees for land reclamation in west China.

Money Appropriated

By order of Dr. H. H. Kung, President of the Executive Yuan, the War-Time Relief Commission has appropriated $100,000 for war relief in Shansi, *Kuo Min* reported. Another sum of $100,000 has been appropriated for the relief of war refugees in the Shansi-Hopei-Chahar border regions. At the request of General Fu Tso-i, chairman of the Suiyuan Provincial Government, the Commission has appropriated $50,000 for war relief in southern and western Suiyuan.

The people of Sinkiang have contributed a total of $250,000 for the purchase of winter clothing for the soldiers at the front and for war refugees. The Executive Yuan has sent a special telegram of commendation to Mr. Li Yung, chairman of the Sinkiang Provincial Government, and General Sheng Shih-tsai, defence commissioner for the Sinkiang Border, thanking them for their efforts in encouraging public contributions in Sinkiang for war relief.

China's Busiest Woman

The Generalissimo's wife inspects the new ambulance donated by the American Friends of the Chinese People. (Right) She fills rice bowls for girls of the Youth Training Corps. (Left center) Madame Chiang Kai-shek. (Right) Foreign correspondents and cameramen surrounding China's First Lady. (Lower) girls of the corps hear her lecture.—*Photos by Walter Bosshard.*

A Vast Problem

The magnitude of China's relief problem was indicated this week by an arrival from up-river who told the *China Press* that there are now 50,000 refugees in Hankow, 7,000 in the northeastern section of Wuchang, and another 10,000 in the country outside Wuchang. In addition to the foreign-organized refugee camps, the Japanese have opened a camp in Wuchang for about 5,000 refugees.

Returning from Hangchow last week, Mr. Robert F. Fitch, chairman of the Projects Committee of the Shanghai International Red Cross, described the lake city as one huge refugee camp, estimating the needy there at 200,000. Despite all relief efforts, Mrs. Fitch said, the city still swarms with refugees who are not being cared for.

Dr. J. E. Baker, well-known relief worker, said on his return from a three-month inspection tour of southwestern China that "although the Chinese government has relief work pretty well in hand in most parts of the southwest, there can never be too much assistance along this line." He added that independent work should complement but not replace that being done by the government.

In Shanghai, the relief problem remains acute. According to Commissioner Alfred J. Benwell of the Salvation Army, some 75,000 men, women and children, all refugees, are being fed, clothed and sheltered in Shanghai daily, of whom the Army is caring for about 8,000 in the camp on Route de Sieyes. School is being attended in the camp by 1,300 children, while many of the adult refugees are engaged in making padded garments. But, according to the Commissioner, the absence of employment for the vast number of able-bodied adults has become a serious problem. Meanwhile, the Shanghai Refugee Relief Association is planning construction of a camp at the corner of Columbia and Tunsin Roads. Covering an area of 25 mow, it will accomodate 8,000 persons. Cost of construction, which is to be borne entirely by the Association, is estimated at $10,000.

Aid from Abroad

Interest abroad in China's relief problem continues to be manifested. The Society of Beligan Ladies, Friends of China, held a Chinese dinner party in Brussels last week to aid China's victims. Among those present was Dr. Tsien Tai, Chinese ambassador to Belgium. In Australia, the Sydney Labor Council raised £750 to purchase an ambulance for China. The vehicle, decorated with the national flags of China and Australia, was recently presented to the Chinese Consul-General in Sydney and is now on its way to this country. Donations of $10,000 and $1,000, respectively, were made recently by Sir Robert Ho-Tung and Sir Geoffrey Northcote, governor of Hongkong, to the British Fund for the Relief of Distress in China (Hongkong and South China Branch).

A charity bazaar in aid of Chinese war victims was opened in London last week. The bazaar was organised by the Relief Committee for Chinese Refugees and is under the patronage of the Chinese Ambassador, Mr. Quo Tai-Chi. Madame Chiang Kai-Shek presented several embroideries and other objects of Chinese art for sale.

The Shanghai International Relief Committee staged an athletic meet for refugee children last Sunday on the campus of Aurora University.

Fishing Trade Taxes Yield Puppets $800,000

Revenues derived from "taxes" on the fishing trade have produced more than $800,000 for the Shanghai puppet administration since last August, according to Chinese press reports. The *Morning Leader* reported Dec. 10 that the local French Consular authorities have lodged a protest with the Japanese military against the forcible detention of French fishing boats at Woosung. Reason for the detention, it was understood, was a refusal to pay a four per cent tax on the catch demanded by the Japanese-controlled fish market.

Meanwhile, a report to the local *Wen Hui Pao* stated that fishermen in the coastal towns of Fukien are in a serious plight, having been deprived of their accustomed source of livelihood by the continued Japanese blockade of the China coast. More than 50 of these fishermen are said to have perished of starvation.

Soviet-Japanese Fisheries Dispute Generates Talk of Possible War

TALK in Tokyo of war as a possible consequence of the failure of Japan and Soviet Russia to settle amicably the differences which have arisen over Japanese fishing rights in Soviet waters and the Japanese oil concessions in Soviet Sakhalin, this week brought the Far East into renewed prominence as an arena of international conflict. Although Tokyo has from time to time hinted that Japan might employ armed force to secure a settlement with Moscow, most observers inclined to the view that, because of her military commitments in China, Japan would be compelled to avoid embroilment with the Soviets. Precisely because of this, Moscow was seen as taking an unusually strong stand against Japan's demands.

According to a *Reuter* dispatch from Tokyo Dec. 12, a serious complicating factor entering into the current Soviet-Japanese disputes is the aid being given to China's national government by Soviet Russia. Japan, the British agency said, regards this aid as a serious impediment to the early conclusion of the campaign in China and the Japanese plans for creating "a new order in East Asia."

Again Changkufeng

Japan, moreover, has not forgotten the Changkufeng incident. Soviet troops, Japan alleges, have been constructing fortifications in the Changkufeng area, to which a steady stream of war supplies is said to be pouring. The Soviet military authorities are also alleged to have substituted Russian regulars for the native troops formerly stationed in the border regions of Outer Mongolia. Tokyo pretends to regard all this as evidence of hostile Soviet intent. Nevertheless, discussions are proceeding in Moscow between Foreign Commissar Maxim Litvinov and Japanese Ambassador Sigenori Togo with a view to discovering a *modus vivendi* for reaching at least a temporary settlement of the fisheries question, which stands at the center of current Japanese complaints.

Chief difficulty in arriving at a settlement of the fisheries question is the failure of the Manchukuo government to pay Soviet Russia the final instalment, amounting to about Yen 6,000,000, of the purchase price of the Chinese Eastern Railway, now long overdue. The Japanese government regards this as the concern of Russia and Manchukuo, and attributes Manchukuo's failure to pay to the fact that the puppet state has failed to secure settlement of counter-claims against Moscow or satisfaction with regard to the question of Manchukuo's consular representation in Soviet territory. Commissar Litvinov, however, points to the Japanese note of March 23, 1935 in which Japan guaranteed payment of the purchase price of the Chinese Eastern Railway.

Litvinov's Offer

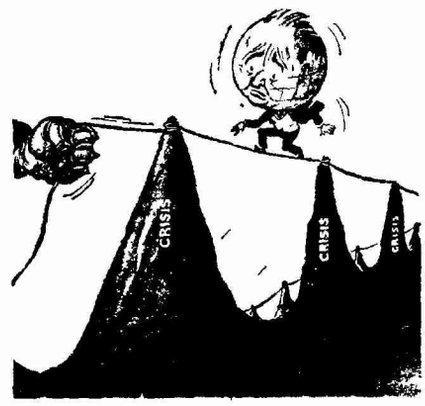
The Soviet-Japanese fisheries convention expires Dec. 28, but while declining to enter a new agreement until the outstanding C.E.R. balance is paid up, Commissar Litvinov offered to enter into a temporary agreement for one year. Such an agreement would secure fishing lots now exploited by Japanese fishermen until the expiration of the leases. Lots for which contracts have already expired, however, would be put up to auction early next year, with the exception of those which the Soviets might find it necessary to withdraw for strategic reasons.

In addition to claiming non-payment of the final instalment on the Chinese Eastern Railway as ground for refusing to enter into a new fisheries agreement with Japan, Moscow also charges Japan with violating the Portsmouth Treaty which provided for the original fisheries agreement. Clause 11 of that treaty, Litvinov told the Japanese ambassador on Nov. 25, provided merely for a mutual agreement of a voluntary character and entailed no actual obligations. The Soviets, therefore, were within their rights in declining to enter into a new agreement, especially since Japan had violated the Portsmouth Treaty by stationing troops in Manchuria in excess of the treaty stipulations and also by obstructing the free movement of Soviet ships in the Laperouse Straits.

Japan's Answer

Countering the position taken by Commissar Litvinov, Ambassador Togo declared on Dec. 8 that the proclamation of the

Stringing Him Along



St. Louis Star-Times.

independence of Manchuria and the entering of a Japan-Manchukuo military alliance had created a "new situation" to which the stipulations of the Portsmouth Treaty with regard to the stationing of Japanese troops in Manchuria no longer applied.

The fact that Japan had created a forbidden zone in the Laperouse Straits, he further declared, was not necessarily a hindrance to free navigation by Soviet ships. Japan, he added, could not admit a connection between the fisheries question and Manchukuo's failure to pay the final instalment on the Chinese Eastern Railway.

Setting forth further the views of the Japanese government, Ambassador Togo told Litvinov that all disputed questions should be decided separately, gradually, in succession, and that the Japanese government will be ready favorably to consider the questions raised by Moscow provided a fisheries convention for a period of eight years is "signed immediately" in the form already approved by the Japanese government but so far not approved by Moscow. Japan, he concluded, would not agree to any other fisheries agreement, whether long-term or temporary.

Soviets Condemned

While the diplomats of the two countries were conversing politely, the Japanese press was unanimous in condemning the "extreme insincerity" of the Soviet government. The *Miyako Shimbun* charged Dec. 1 that Soviet Russia was giving "crafty assistance to China" in order to "bolshevise" the country and hinder Japan. The paper also charged the Soviets with "outrageous actions against Japanese official establishments at Chita, Blagoveschensk and Habarovsk," claiming that Soviet persecution of Japanese subjects in those cities "has recently grown more and more glaring," while anti-Japanese propaganda in Vladivostock is on the increase.

In an official statement Dec. 10, the Japanese foreign office alleged that the local authorities in Soviet Sakhalin had refused to grant residence to Japanese workers employed in the Japanese-leased oilfields and had ordered them to leave the territory. Moscow, it was stated, had cancelled the expulsion orders when Japan protested, but the local Soviet authorities in Sakhalin were nevertheless continuing to interfere with the Japanese workers.

Franco-Soviet Pact

In an attempt at minimizing the strength of the Soviet as regards Japan, the Tokyo *Nichi Nichi* hinted this week that Japan had nothing to fear from the Franco-Soviet Pact which, it said, was "virtually invalidated" by the three-point declaration of friendship between France and Germany.

"France has been overlooking an opportunity to shake hands with Germany for a long time," the journal stated, "by over-estimating the value of her pacts with Great Britain and the Soviet Union.

"France lost rather than gained from the stipulations of the Franco-Soviet Pact. It not only made the relations between France and Germany worse but it placed France at the mercy of Communist influences, which plunged French industry into a panic and considerably weakened the national power of France."

Australia Votes Big Sum for Armaments

The Australian government has voted the record sum of £60,000,000 for the expansion of armaments during the next three years, according to a statement made by Mr. A. G. Street, Australian Defence Minister, in the Australian federal parliament on Dec. 7, according to a *Transocean* report.

The expenditure on the Australian navy will be increased by £20,548,000, on the army by £19,704,000 and on the airforce by £16,444,000. £10,000,000 of the total sum will be raised by means of a loan, part of which is to be floated in London.

The new naval estimates provide for the construction of two destroyers of the most modern type as well as of 12 torpedo boats. The plan to purchase a battleship in Britain has been dropped, as the British government has given the assurance that the big naval units stationed at Singapore will be adequate for the purpose of Australia's defence. At the same time a plan has however been drawn up to cooperate with the British Admiralty in the construction of a big dock at Sydney.

As regards the army, the present strength of 35,000 men is to be doubled, while anti-aircraft detachments are to be strengthened and their equipment brought up to date.

Finally it is planned to increase the airforce to 18 squadrons with a total of 212 first line machines, while a naval aircraft base is to be constructed at Moresby on the southeastern coast of New Guinea as part of the scheme for improving the coastal defences of Australia.

The coastal defence on the bight of Durban in South Africa is to be very considerably strengthened. In particular, heavy guns are to be set up around the bight. For the laying out and equipment of a new airdrome, two river beds will have to be canalised and a third river diverted. The new airdrome is to be laid out in the neighborhood of the present one.

87-093

Outline of China's Government Given in New World Handbook

A COMPERHENSIVE statement of the organization, personnel and policies of the National Government of the Republic of China, together with descriptions of the character and aims of the various political parties and groups in the country, has been included in a *Political Handbook of the World* published in New York by the Foreign Policy Association. The information was compiled by Dr. Li Ti-tsen, director of intelligence and publicity of the Foreign Office in Chungking.

Nanking, despite its occupation by the Japanese Army, is specified as the capital of the Republic whose area, according to the Chinese Post Office estimate, is given as 4,278,352 square miles with a population of 453,815,235 (Ministry of Interior estimate, 1935).

The State Council is described as the highest unit of the government, of which Lin Sen is the president. President Lin was elected in 1932 and re-elected in 1935 as head of the government and chairman of the State Council, which consists of from 24 to 36 members.

The National Government derived its original mandate from the Organic Law promulgated at Nanking on October 4, 1928, by the authority of the Kuomintang. The Revised Organic Law was promulgated on December 29, 1931 and again revised by mandate dated December 27, 1932. It is by virtue of this basic law that the National Government functions during the so-called period of "political tutelage" of the Chinese people. A Draft Constitution was published on May 5, 1936. The supreme effective control resides in the national congress of the Kuomintang, which exercises its authority over the current processes of government through the medium of the Central Executive Committee, the Central Supervisory Committee and the Central Political Council.

Under the National Government there are five yuan and such organs as: Comptroller-General's Office, Academia Sinica, National Economic Council, National Military Council, People's Political Council, etc.

The Five Yuan

Executive Yuan: Dr. H. H. Kung (President), General Chang Chun (Vice-President) assisted in the executive work of the government by nine ministers, *viz.*: Interior (Minister, Gen. Ho Chien); Foreign Affairs (Minister, Dr. Wang Chung-hui); Military Affairs (Minister, Gen. Ho Ying-ch'in); Finance (Minister, Dr. H. H. Kung); National Economy (Minister, Dr. Oong Wen-hao); Communications (Minister, Dr. Chang Chia-Ngau); Education (Minister, Chen Li-fu); and by five subordinate Commissions, *viz.*: Anti-Opium, Mongolian and Tibetan Affairs, Overseas Chinese Affairs, Famine Relief and National Reconstruction.

Legislative Yuan: Sun Fo (Chairman).

Judicial Yuan: Chu Cheng (Chairman). Subordinate to the Judicial Yuan are the Ministry of Judicial Administration (Minister, Hsieh Kuan-sun), Supreme Court, Administrative Court, and Commission for Disciplinary Punishment of Officials.

Examination Yuan: Tai Chi-t'ao (Chairman).

Control Yuan: Yu Yu-jen (Chairman).

The National Military Council: Chairman, General Chiang Kai-shek. The Chairman is the supreme commander of China's military, naval and air forces.

Organization: The Council consists of a Main General Office and ten departments, *viz.*; Military Operations, Military Affairs, Military Training, Political Training, Military Advisory Council, Directorate-General of Courts Martial, National Aeronautic Commission, Military Service, Military Personnel, and the Commander-in-chief's Office of the Navy.

People's Political Council

The People's Political Council is established in accordance with a resolution of the Emergency Session of the National Congress of the Kuomintang held in March, 1938, for the purpose of consolidating the unity of all national forces and insuring full discussion and deliberation of all national policies before decision is taken, so that their execution may be facilitated. The Statute of Organization was promulgated on April 12, 1938.

Membership: Representatives of all parties and leaders from various walks of life are included. They number 200, of which 88 are chosen from among those who have served for more than three years in any government organ, public body or private institution in any of the provinces or municipalities, six from Mongolia and Tibet, six from overseas, and 100 from among those who have served for more than three years in representative cultural or economic bodies. The provincial or municipal governments, in conjunction with their respective local Kuomintang Headquarters, nominate the candidates for the first group, the National Commission on Mongolian and Tibetan Affairs nominate the candidates for group two, the National Commission on Overseas Chinese nominate those of group three, and the Supreme National Defence Council those of group four. The basis of representation is political, geographical and functional. Appointments are made by the Central Executive Committee and the tenure of office is one year, which may be extended for another year in case of necessity. No official of the Government may be concurrently a Councillor.

The Council meets once in every three months in ordinary sessions of ten days each. Extraordinary sessions may be called in case of necessity and the length of the meeting likewise extended. During recess a Resident Committee of 15-25 Councillors remains in charge of the affairs of the Council The inaugural session was held in June and the second session in October of 1938.

A Long Way To Go

Washington Post

Party Programs and Leaders

Since the beginning of the Sino-Japanese hostilities in July, 1937, party politics has given way to a united national front and recognition has been accorded to parties which were officially suppressed formerly. All party elements have been merged in the national front and are cooperating closely.

KUOMINTANG, or Nationalist Party (National Government): Advocates program supporting the late Dr. Sun Yat-sen's Three Principles of the People, *i.e.*, Nationalism, Democracy, People's Livelihood; in foreign policy, attempts to maintain China's territorial and administrative integrity; desires revision of so-called "unequal treaties" and abolition of extraterritoriality; in domestic policy, plans reconstruction of internal administration on the basis of a centralized national government with special powers to the provinces under the direction of the central government; carries on program of modernization in economic, educational and other fields.

Leaders: The Standing Committee of the Central Executive Committee of the Party consists of Gen. Chiang Kai-shek, Sun Fo, Wang Ching-wei, Yu Yu-jen, Chen Kuo-fu, Ku Meng-yu, Feng Yu-hsiang, Yeh Chu-tsang, Ting Wei-fen and Chu Cheng. See also the personnel of the National Government.

COMMUNIST PARTY: Affiliated with the Third Internationale; in foreign policy, favors an active alliance between China and Soviet Russia for the suppression of imperialism and capitalism, and in the interests of the world revolution; in domestic policy, proposes a Soviet Government and a frankly communistic economic and social program. (This statement of Communist Party aims and policies ignores the fact that this party expressly and categorically renounced its former revolutionary program in order to secure, and as the stipulated price of, its own entry into the "United National Front."—*Editor*).

Leaders: Mao Tse-tung (Civil Leader), Chu Teh (Chief of military forces).

CHINESE YOUTH PARTY: Leader, Tso Hsun-sun.

NATIONAL SOCIALIST PARTY: Leader, Dr. Carson Chang.

In Manchuria

Manchukuo (Manchuria): Established in 1932 by proclamation as an independent state, organized on lines similar to that of a constitutional monarchy, with Henry P'u Yi as Chief Executive. This regime, founded by the Japanese Army, consolidated a *de facto* control over Manchuria (including Jehol Province) in the face of protracted opposition of the ejected Northeastern Political Affairs Committee, which had ruled the country prior to the Japanese military occupation in 1931 and was finally liquidated in 1933 following the invasion of Jehol by Japan and resignation of the Committee's leader, Chang Hsueh-liang. On March 1, 1934, the Chief Executive Henry P'u Yi (last Emperor of the Manchu Dynasty of China) took the title of Emperor under the reigntitle of Kang Teh.

The Government is committed to observance of the Open Door (but the establishment of a Petroleum Monopoly in 1935 is regarded by the American and British Government as a violation of this commitment), equal treatment of races, and Pan-Asiatic solidarity. Economically it is moving towards a highly developed form of state capitalism. The Japanese have taken a controlling part in its administration and are directing its policies. It has not been recognized by China or the other powers, excepting Japan and El Salvador.

87-094

Festivities in Chungking Indicate Sino-Soviet Entente Cordiale

BY C. Y. W. MENG (孟 長 泳)

THE 19th anniversary of the Bolshevik Revolution was celebrated with impressive ceremony on Nov. 7, 1936, in Nanking, One thousand persons attended the celebration which was held in the Capital Theater under the auspices of the Sino-Soviet Cultural Association. In an article written at that time on "How to Develop the Sino-Soviet Cordial Relations in the Near Future," (see the *Review* of November 21, 1936, Vol. 78, No. 12), I asked the following question:

> "In Shanghai, we have a Sino-American Trade Association, and in Nanking, we also have a Sino-French Cultural Association. But none of these has ever held any 'joint celebration' on July 4th to commemorate the famous Declaration of Independence by the Colonies; or on July 11 to commemorate the Fall of the Bastille; or on October 10 to commemorate the historic Chinese Revolution when China astonished the whole world with her debut as a modern domocracy! But this time, in the capital, for the first time, a celebration of the Bolshevisk Revolution was actually held. Will this mean the opening of a new era in Sino-Soviet history, when both of them will improve their relations and arrive at a better understanding, leading to the formation of a Sino-Soviet 'Cordial Entente,' 'Sino-Soviet Co-operation,' etc. in the very near future—which we have been hoping for so anxiously!"

After two years of observation, my question is now definitely answered in the affirmative!

21st Anniversary Celebrated

On the afternoon of November 7 of this year, in the presence of more than 1,000 people, including many high officials of the National Government and the Soviet Embassy, another far more elaborate and meaningful celebration of the 21st Anniversary of the Revolution of the Soviet Union was held in Chungking, now China's war-time capital. The elaborate program was started by the singing of the national anthems of the two nations. The whole audience stood to pay respect to Generalissimo Chiang Kai-shek and the Chinese forces now fighting to resist the Japanese invasion. Mr. Sun Fo, President of the Sino-Soviet Cultural Association, the Soviet Ambassador and Dr. H. H. Kung, president of the Executive Yuan, addressed the audience. Popular war songs completed the program.

On the day of the celebration, all leading papers in Chungking issued special supplements "In Congratulation on the 21st Anniversary of the Revolution of the Soviet Union." The portrait of Dr. Sun Yat-sen was placed side by side with that of Lenin, and that of Generalissimo Chiang Kai-shek with that of Stalin. For one solid week, four of the biggest theaters in Chungking were showing many of the pictures produced in the Soviet Union to show the heroic revolutionary defence against the reactionaries and in repulsing the attacks of the "interventionists." Every theater showing these pictures was, I observed, packed to its fullest capacity. For another solid week, the Chungking Missionary Social Hall was converted into an Exhibit Room of Soviet pictures showing the "daily life" of the Soviet people, extolling the greatness of the Red Army, industrial and agricultural reconstruction, the rise of Soviet womanhood, the improvement of the child welfare, the development of physical education, the "Conquest of the North Pole," the Soviet arts, etc.

On November 6, in cooperation with the Soviet Asiatic Film Company, the Association gave a reception party to the 1,000 child refugees from war districts where pictures showing the review of the Boy Scouts and Girl Guides byGeneralissimo Chiang Kai-shek, and a review of the Red Army in Moscow, were exhibited. Speeches reminding these "war orphans" to work harder to be the masters of tomorrow in China were delivered. Candies were then distributed to all children to their great joy.

It is also significant to add here that out of 480 kinds of books from foreign sources of various catagories translated into Chinese for the use of the Chinese during last year (1937), one-third came from the Russian language alone!

All this may appear somewhat *unusual* in the history of the two nations. But it

Engagement Broken

Elderman in Washington Post

shows explicitly that the Chinese people must have taken a deep interest in the development of the Soviet Union and in the welfare of the Soviet people. It explains better then many pages of analysis that the present friendly feelings exist not only between the officials of two nations but also between two peoples as well. It is also evident that Sino-Soviet friendliness must be based not only on "sentimentalism" but on mutual understanding, mutual sympathies and mutual co-operation. China and the Soviet Union must now consider one another as true friends in need! Friendship based on sentimentalism will not last very long, but friendship based on mutuality will!

Sun Fo Promoter

In the opening speech, Mr. Sun Fo, president of the Legislative Yuan, generally acknowledge as one of the most enthusiastic promoters of Sino-Soviet friendly relations, and whose recent visit to Moscow aroused the ire and suspicion of the Japanese militarists, said that "the success of the Soviet Revolution has given a strong stimulus to the Chinese people to struggle harder, and in strengthening the Chinese faith in our national reconstruction and in the final victory over the invaders." Recalling his interviews with high officials in Moscow, Mr. Sun said the Soviet leaders considered that the present Chinese war against the Japanese invasion is the "necessary stepping stone towards the rejuvenation of the Chinese nation," and that the Soviet officials always reminded the Chinese that the difficulties facing the Soviets after the October Revolution, when they had to face both the reactionaries and the foreign interventionists, were far greater than those facing the Chinese today; and yet the Soviets overcame them. "So the Soviets opine that China *must* win the final victory at last," said the speaker. The president of the Legislative Yuan considered the Soviet Union as "our brotherly nation," and urged the Chinese people to "learn more from the Soviet 'revolutionary methods,' and to take Russia's past experience as our guide."

In articles on the Soviet anniversary, Mr. Sun Fo reiterated the advice of his late father "to join with all other peoples in the world who treat us with equality," and emphasized that such is the "necessary way to the completion of the Chinese revolution." "During these days when the 'fascist fire' is burning, the only way out for us is to take another step towards Sino-Soviet co-operation in order to preserve world peace in accordance with Dr. Sun's teaching," he continued. To Mr. Sun, the duty to maintain world peace now "undoubtedly falls on the shoulders of China and the Soviet Union jointly!"

Dr. Kung, President of the Executive Yuan, in his speech, referred to the Soviet Union as China's "bosom friend," and said that what the Soviets had achieved should serve as a good "model" to the Chinese. The president of the Executive Yuan then urged the Chinese people to "catch up" with the Soviet Union and to quickly complete China's task of national reconstruction and the resistance campaign against Japan."

The Sino-Soviet Cultural Association issued a Special 160-page booklet in commemoration of the occasion, containing inscriptions and writings by high officials in the government, which tell better than many pages of analysis about Sino-Soviet cordial relations.

Ambassador's Speech

The Soviet Ambassador, in his speech, said, *inter alia*, that what the Soviet people hate most is a situation brought about by aggression. "So Soviet sympathies are *wholly* and *permanently* on the side of the oppressed people. Under the leadership of Generalissimo Chiang Kai-shek, the Great Chinese nation is now being united and has presented a united front to oppose the aggressor, and your struggle has won the whole-hearted sympathies of the whole Soviet people."

The Ambassador expressed his admiration that the Chinese nation, having a history of 5,000 years and having contributed much to world civilization, is now struggling for independence and liberty, for reconstruction and for peace; and for the cultivation of friendship with all peoples in the world, particularly with the Soviet people. He said he was most gratified to learn that despite the present difficulties, the Chinese are still able to make progress in cultural development.

Mr. Sun Fo, in his report about his trip around the world, was quoted as saying that during his sojourn in the Soviet Union, he was greatly impressed by the fact that the sympathies of the Soviet officials and people are whole-heartedly with the Chinese, and that they are bitterly opposed to the Japanese invasion of China. "All news favorable to the Chinese is fully published in the Soviet papers, while information from Japanese sources is withheld," said Mr. Sun.

According to a current report, Chinese pictures showing China's defence against the invaders will soon be shown in Soviet

(*Continued on page 97*)

87-095

Shadow of Japanese Navy Falling Over Dutch East Indies

BY CLAIRE PRICE, in the *New York Times Magazine*.

TO the Netherlanders the Japanese Army and its doings in China are of less permanent interest than is the Japanese Navy. This is not the semi-paternal attitude of an old instructor toward his now grown-up pupil—the Netherlanders supplied the first ships and training to raise the Japanese Navy from its sampan and sailing-junk era; rather, it is a feeling of worry and concern, for 10,000 miles away, on the other side of the world from the homeland, Netherland India is a neighbor of the expanding empire of Japan.

As far as is known, the Japanese Navy at present has no base south of Japan itself, which lies 3,000 miles north of the Netherland islands. In Western navies it is generally considered impracticable for a modern fleet to operate more than 1,500 miles from its main base. But when Japan withdrew from the League of Nations she took with her as a souvenir the handsome necklace of the Mariana, Caroline and Marshall Islands. Economically this sea empire of ocean peaks and coral atolls is not worth a great deal; but in a naval sense it constitutes a whole fleet of natural aircraft carriers and submarine depots at permanent moorings. And the United States has decided to set the Philippines free in 1946 and withdraw the United States Navy to its permanent line of defense in Hawaii.

The Netherlanders have not welcomed these moves. In their view, United States withdrawal from the Philippines opens up the possibility of a Japanese naval base less than 1,000 miles from their posessions. Of course, there are many reasons why things should not turn out as badly as that, but naval staffs cannot afford to be optimists. As the Netherlanders now reckon it, they have until 1946 to bring their East Indian defenses up to a maximum of strength and efficiency, and they are accordingly engaged on a rearmament program at top speed.

The motherland itself is no biggar than Maryland, but the Far Eastern possessions stretch over a vast archipelago, the distances of which are greater than those from New York to San Francisco. From Pulu Weh, at the tip of Sumatra, to Humboldt Bay, on New Guinea, is more than 3,000 nautical miles, a fourteen-day journey by the trading steamers of the K. P. M. The possessions include Java, Sumatra, Borneo, the Celebes, Netherland New Guinea and lesser islands almost without number. They form the great bulk of Malaysia, straddling the Equator. In area they are sixty times as large as the homeland, and they have seven times as large a population. Java alone has nearly five times as many people as The Netherlands.

Java is fabulously rich. It has given the motherland in Europe a succession of sugar, tobacco, rice, coffee and rubber millionaires, besides producing on its own account a little of everything, from the Java Man to Mata Hari. It is itself the Netherland Empire. Everything else in the Indies is administratively considered the Outer Districts.

Sumatra, next door to it, is more than three times as big as Java—about the area of Sweden—but economically it is far behind Java and, in turn, is itself far ahead of the other major islands. Borneo, producer of oil, is considerably larger than Sumatra. Sumatra is the great rubber producer. Banka, an island lying east of Sumatra, is rich in tin. Netherland New Guinea, an area as big as California, is largely unknown, and in the course of normal events it would probably be the last of the big Netherland islands to be opened up. But now the Netherlanders are exploring it by airplane with all possible speed.

The whole of the motherland's varied life—financial, commercial, industrial, social—feels the throb of this rich tropical empire. The big white steamers with Chinese stewards and Malay deckhands which you see in Amsterdam Harbor take thirty days to reach Batavia, the Indies' capital in Java, but airplanes do it in five or six days, three times a week, and it costs less to telephone to Batavia from Amsterdam than it costs to telephone across the Atlantic. Everywhere in the motherland are men who have served their ten or twenty years in the old colonial towns of Java and who talk of Weltevreden much as New Yorkers talk of Albany, though Weltevreden is the modern end of Batavia, 10,000 miles away. The great Viceroy van Heutz stands permanently on his pedestal in Amsterdam, but one of his ablest young men, Dr. Hendrick Colijn, now not far from 70, is today Prime Minister of the motherland.

The shiver that went up the Netherlander's spine when Germany and Japan signed their so-called anti-Comintern pact, less than two years ago, may accordingly be imagined. Both were powers opposed to the status quo. Both overlooked Netherland territory, one in Europe with a powerful air force and army, the other in the Far East with one of the most powerful of the world's navies. The motherland had no illusions on the subject of Nazi Germany. The Indies looked with concern upon the mysterious foreign warships which sometimes wandered cautiously and unannounced through lonely island seas where normally only the monthly K. P. M. steamers were ever seen. Briefly, no Netherlander believed then or believes now that anti-communism was all that was involved in the German-Japanese pact.

Need Defenses

Since then anxieties have steadily risen. The nation's tradition of inflexible neutrality was rooted in international law. It has taken a severe wrench to adjust it to a world in which law, the League and collective security have unmistakably broken down. The first result of the anti-Comintern pact was the arrival of a petition signed by 50,000 civilians in the Indies emphasizing the urgent need of more defenses on land, sea and in the air, particularly naval defenses. It was followed a few months later by a voluntary defense fund raised in the Indies to help pay for a cruiser to be sent out. The war in China has been more eloquent than either of these. When Japan went seriously into action in China, not far from the Indies, the reluctant Netherlanders in the motherland needed no further convincing.

Defense then became merely a question of finding the money and applying it to the best effect and with the utmost speed. Defense expenditure has increased from about $50,000,000 for the financial year 1937 to about $83,000,000 for 1938. These figures include both home and imperial defense, and it is impossible to disentangle the two. But, of this year's figure, something over $20,000,000 is being devoted to the navy; and it may be taken for granted that practically all of this goes to the Indies, for in reality the Netherlands Navy is the Indies Navy. The motherland's defenses look landward and not seaward.

For the navy the North Sea is little more than a training ground. Its serious work lies in the Indies. All its vessels are built with the higher deckheads and the larger cooling pumps and condensers which tropical service requires, and its officers know the Indies charts at least as well as they know the North Sea charts. East Indian waters are narrow seas in many places full of dangerous coral reefs and unpredictable tide-rips and currents. Battleships, being tender as well as expensive, are thus ruled out. The limit of Netherlands naval construction is normally the capacity of the drydock at Surabaya—8,000 tons. The navy thus depends on light cruisers with speeds up to 33 knots, fast motor boats, destroyers, submarines, seaplanes, minelayers, mine-sweepers and their auxiliary craft.

For such light and highly mobile defense the Indies are admirably suited. Many of their waters are so difficult that only Netherlands captains know them. They abound in potential submarine depots; and seaplanes can base themselves wherever a tanker can lie up in quiet water. For unwelcome strangers an adequate supply of such forces can make a hornets' nest of the vast archipelago; and as the Netherlanders see it they have until 1946 to complete their Indies defense forces; perhaps longer, if

(*Continued on page 97*)

New York Times.

The vast extent of the Netherland Indian Empire is shown on the map by the outline of the United States done in same scale as the archipelago.

Pan-American Conference at Lima Attracts World-wide Attention

WORLD attention has been sharply focused on the eighth Pan-American Conference which opened in Lima, Peru, on Dec. 9. Due to recent European political developments and the attempts at economic penetration of the American continent by European and Asiatic totalitarian states, the conference is regarded as the most important of the 60 similar conferences which have been held since 1826.

Added point was given to the Lima gathering by President Roosevelt's recent proposal of a defense scheme to embrace all the American republics and Canada, which was reiterated by Secretary of State Cordell Hull, head of the United States delegation, at the opening session of the conference.

The day the conference opened, the London *Times* published a comprehensive article detailing factors which were expected to enter into the deliberations of the delegates. First, the journal summarized recent South American dispatches which emphasize totalitarian penetration in South America, including the expansion of German immigration, especially to Brazil, Italian influence in Peru and Argentina, and the increasing Japanese influence in all west coast ports.

The dispatches, according to the *Times* summary, allege the sowing of ideological seed everywhere, through the energetic and widespread medium of German radio and news agency.

They note the superiority of the German Transatlantic air service to South America and the plans for a network of German lines, outstripping Pan-American Airways.

Italians Active

They ask what is being done about the Italian drilling of the Bolivian Army, the progress of Italian airplanes sales, the Japanese fishing monopoly in Central America and the thriving Japanese cultivation of 6,000,000 acres of cotton in the face of the waning crop in the United States.

The dispatches further cite the hasty offer of battleships to Brazil by Mr. Cordell Hull, the American Secretary of State, to spike the handsome offers from Japan and Germany.

They assert that Germany and Italy are determined to cultivate allies strong enough to strangle the British lifeline, if war comes to Europe, and that the United States has invoked the Neutrality Act so as to leave an open door for Great Britain's oil and food.

Mr. Cordell Hull goes to Lima with a positive agreement with Mexico, which, a month ago, offered perilous prospects not unlike the fate of Spain.

He has the spearhead of the Anglo-Canadian-American Trade Agreement to drive against the German barter system, which has made inroads on South American trade.

The presence at Lima, the article proceeds, of his assistant, Mr. Adolf Augustus Berle, Jr., one of the original members of President Roosevelt's "Brain Trust" and a former Assistant Secretary of State, is connected by many authoritative observers with the President's favorite plan to build the United States western navy in western shipyards.

Bid for Trade

A new shipping line, backed by Washington, hopes to recapture the South American export trade.

The National Trade Convention recently made a strong appeal for the employment of the United States' idle gold reserve in stabilising Latin American currencies.

At the same time, the petroleum industry has planned to spend U.S.$35,000,000 on the Houdery catalytic process, which will assure for the United States first rank among the nations in the manufacture of aviation gasoline.

The *Times* article reaches the conclusion that, as long as the United States remains the world's most considerable creditor nation, its friendship will decide American republics against European ambitions.

Significance was attached locally to the fact that Emperor Hirohito of Japan chose December 8, the day prior to the opening of the conference, to decorate Senor Eduardo Racedo, outgoing Argentine minister, with the First Class Order of the Sacred

LIMIT OF PATIENCE

Washington Post.

Treasure "in recognition of his services in promoting friendly relations between Japan and Argentina." The same day, according to a *Domei* dispatch, Senor Riva Aguera, former premier of Peru, who is now in Japan on a lecture tour, visited the Yokosuka Naval Base accompanied by Senor Ricardo Schriber, Peruvian minister to Japan. The visitors were the guests, at luncheon, of Vice-Admiral Kiyoshi Hasegawa, base commandant.

74-Point Program

To combat German, Japanese and Italian penetration of the Latin American republics, an inter-departmental committee appointed by President Roosevelt has drawn up a program containing 74 specific items, among which are cooperation in wireless, aviation, and road-building, and the stimulation of travel from the United States to Latin America, training Latin-American scholars and technicians in United States Government departments, the distribution of United States Government publications in Latin America, the exchange of mutually informative films, and subsidised visits by various American cultural groups to South and Central America.

American Army leaders, too, are hoping to double the number of United States military attaches in South America, to offset the various proposals by German and Italian military departments to send missions to Latin-American Republics.

For the implementation of this program, the President is expected to ask Congress for an annual appropriation of $1,000,000, according to a report from Washington.

Ambassador Johnson to Go on Furlough

The American Ambassador, Mr. Nelson T. Johnson, is expected to proceed to America on furlough shortly. Mr. Johnson plans to leave Chungking on January 4 by car for Kunming, capital of Yunnan, and thence, if possible, follow the new road to Burma en route to Europe and America.

The Ambassador, it is understood, will be accompanied on the first stage of his journey by Major J. M. McHugh, Assistant Naval Attache. During Mr. Johnson's absence, the duties of the Embassy will be undertaken by Mr. Willys R. Peck, Counsellor.

Before leaving for the United States, it is learnt that Mr. Johnson, will have a meeting with General Chiang Kai-shek, President of the Military Affairs Commission.

The Chinese press in Chungking regards Mr. Johnson's forthcoming voyage to Washington as a turning point in the United States China policy. The newspapers recall that the American Ambassador was the first foreign diplomatic representative to come to Chungking after the seat of the National Government was removed there. Since his stay in Chungking, he has been in constant touch with the Chinese Government.

Tojo Appointed to Air Force Post

Lieut.-Gen. Hideki Tojo, who has been Vice-Minister of War and Chief of the General Staff of the Army Air Force, was appointed Inspector-General of the Army Air Force and concurrently Chief of the General Staff of the Army Air Force, it was announced in Tokyo Dec. 10.

Lieut.-Gen. Masataka Yamawaki was appointed Vice-Minister of War while Lieut.-Gen. Tetsuzo Nakajima was appointed Assistant Chief of the Army General Staff, succeeding Lieut.-Gen. Hayao Tada, who was assigned to a post at the front.

Major-Gen. Minoru Iimura was appointed President of the Army Staff College while Col. Moriaki Shimizu was appointed Chief of the Bureau of Information of the War Office, succeeding Col. Kenryo Satoh, who has been assigned to the Military Aviation School at Hamamatsu as an instructor.

One major-general was promoted to the rank of lieutenant-general and 10 colonels were promoted to the rank of major-generals as a result of the regular promotions and transfers of Army officers.

Creation of the post of inspectorate-general of the Military Air Force was responsible for the transfers of many high officers.

Pirow's Wife Calls Europe a Madhouse

"Europe is a madhouse in which the inmates shriek and scream at one another," Mrs. Oswald Pirow, wife of the South African defense minister, declared last week to a London *Daily Express* representative upon embarking for Cape Town after a tour of European capitals with her husband.

A few days earlier Mr. Pirow himself prophesied that "unless there is a complete change of outlook within the next month or two, international tension will reach its breaking-point during the Spring of next year." Europe, he said, was drifting into a war which no nation wants, but against which every government is preparing.

87-097

China's Laughing Buddha Stricken With Grief at Destruction of Temples

The Laughing Buddha is now grief-stricken as many of the tens of thousands of Buddhist temples in China in which he had his sanctuary have been destroyed by the ruthless war machine of Japan.

Two of the biggest and most famous Buddhist temples that are now gone were in Shanghai: the Liu Yun (Flowing Cloud) Temple in Nantao and the Lunghwa Temple. The latter was completely demolished by the Japanese when war was at its height in the Shanghai sector, while the former is a scar of barbarism left by the Japanese invaders in the wake of their departure from Shanghai.

With the destruction of the Liu Yun Temple in Nantao were gone not only one of the most valuable collection of Buddhist statues in China but also thousands of volumes of Buddhist scriptures of all ancient Chinese dynasties from Han (206 B.C. to 221 A.D.) downward.

In this temple had also been carefully preserved a big collection of priceless Buddhist paintings and caligraphies. It was the most precious personal property of Abbot Ta Pei (Infinite Sorrow) who is chief priest in the Tien Tung (Heavenward) Temple in Ningpo, Chekiang Province.

The Liu Yun Temple in Nantao, with more than 700 monks, was one of the best-known monasteries in China, mainly because of the influence of the magnetic personality of the Venerable Teh Hao, one of the outstanding Buddhist celebrities in China. This 70-year-old monk raised funds and single-handed turned the once small and poorly-built temple into one of the biggest and finest temples in China.

Through Monk Teh Hao, the Liu Yun Temple can be linked with the very first Buddhist temple in Chinese history, namely Pai Ma (White Horse) Temple in Loyang, which lies to the westward of Chengchow on the Lunghai Railway line. This temple was built in 67 A.D. by Emperor Ming of the Han Dynasty and kept in good repair dynasty after dynasty until the Taiping Rebellion around 1845, when Hung Hsiu-chuan, the rebel leader who believed in Christianity, destroyed most of the Buddhist temples, statues and scriptures in the twelve provinces under his control. It was Monk Teh Hao who, with the assistance of Mr. Tai Chi-tao, president of the Examination Yuan, and a few other members of the China Buddhist Society, rebuilt the Pai Ma Temple in Loyang, Honan Province.

The Lunghwa Temple in the Western suburb of Shanghai was one of the four Buddhist temples built by the mother of Sun Chuan, King of Wu of the Three Kingdom Dynasty (221-265 A.D.). The Temple, the pagoda and other Buddhist property attached to it had for many years made the entire Lunghwa district famous as one of the outstanding beauty spots in the vicinity of Shanghai. Every spring when peach blossoms were in full bloom, there used to be endless streams of Chinese and foreign tourists, sightseeing in that area of monastic beauty.

Aside from its historical importance, the bombing of the Lunghwa Temple by the Japanese was an unforgettable event, as it temporarily halted a task of immense importance in the future history of Buddhism in China—the task of translating a whole set of Lama Buddhist Scriptures into Chinese. This task had been undertaken by Jungtseng Kanpu, a "living Buddha" from Tibet who went to Shanghai with a big retinue of Lamas, interpreters and translators two years ago at the invitation of the Bodhi Academic Society in Shanghai. He had his abode in one of the houses belonging to the Lunghwa Temple where he daily explained in the Tibetan language passage after passage of the Lama Scriptures to those who could understand both the Tibetan and Chinese languages.

After the Lunghwa Temple was bombed, it was with much ado that a new office for carrying on this Herculean task was secured at Chiao Yuan or "Awakening Garden," a Buddhist house in the International Settlement of Shanghai. This Buddhist house was first established in 1933 by Abbot Chao Kung, a Hungarian whose name as a layman was Trebitsch Lincoln. He was the first European Buddhist monk to come to China.

The Bodhi Academic Society, which started the great translation work of Lama Buddhist bibles was founded in Shanghai by the late Panchan Lama, "Living Buddha" and spiritual leader of Tibet. Since his death late last year, the society has been headed by Monk Yin Kwang (Impressive Light), high priest of Linan Temple in Soochow, who is known in China as the leading master of the "Pure Land" School of Buddhism in China.

The Bodhi Academic Society is one of the three leading Buddhist institutions in Shanghai, the other two being the Pure Karma Buddhist Association and the Buddhist Laymen Society. Throughout China, there are 460 Buddhist institutions.

Many of these institutions, as well as temples that held treasures of Buddhist literature are now located within Japanese-occupied areas. In the Peking Library in Peiping, for instance, are stored the valuable "Tun Huang" Scriptures copied by Buddhists of the Tang Dynasty (A.D. 608-917). The Pure Karma Buddhist Association has one of the biggest Buddhist libraries in China, known as "Dharma Library," while on the Tzu Chin (Purple) Mountain outside Nanking was established only a short time before the war the library of the China Buddhist Society. The society also owns a huge collection of Buddhist statues and relics at Lochih, a village near Soochow, which, till this was made its fate unknown, had been in the custody of a special administrative committee appointed in 1927.

British Court Makes Unusual Order

A decision said to be unprecedented in Shanghai's legal history, and even lacking precedence in British law, was handed down in the local British Supreme Court Dec. 9 by Judge Sir Allan Mossop, who granted leave to a Mr. Edward Gosset to presume the death of Mrs. Kwei Ch'in Pritchard, widow of the late Harry Pritchard, a former officer in the Shanghai Municipal Police.

The application was made in connection with a request for the granting of letters of administration for the woman's property.

Mrs. Pritchard disappeared on August 23, 1937, the day on which an aerial bomb exploded at the Sincere Department Store on Nanking Road, and it is presumed she was blown to bits.

President Liners to Call at Shanghai

The American President (formerly Dollar) liners will soon begin calling at Shanghai, Mr. Joseph Sheehan, president of the line, announced in San Francisco last week. This has been confirmed by the local office of the line, which announced that the *President Coolidge* would call here Jan. 30.

New Year Comforts For Nippon Troops

Traditional New Year's delicacies will enliven the campaign menu of Japanese officers and men at the front in Central China under special arrangements made by the Quartermasters' Corps of the Japanese Army and Navy, the Shanghai *Mainichi* reported last week. Rice cakes, noodles, fruit, fish, sweets and dried seaweed that are inseparably associated with the first meal of the year in Japan, will be shipped to all land detachments and units afloat from the Sasebo Naval Base in Kyushu, according to the paper.

N.Y.K. Adds Eight Vessels to Hamburg

Ten liners of the Nippon Yusen Kaisha, aggregating 100,000 tons, have been assigned to the Yokohama-Hamburg route to augment the increase in freight and passenger traffic between Japan and Germany, it was announced in Tokyo last week. The *Suwa Maru* was the first to start on this new schedule leaving Yokohama Dec. 5.

Sino-Soviet Cultural Union For Kweichow

Reports received from Kweiyang, provincial capital of Kweichow, state that a Soviet Russian Cultural Union has been founded for the province of Kweichow. Mr. Wu Ting-chang, provincial governor of Kweichow, has been appointed honorary chairman, while Mr. Wang Pei-chuan, former Minister of Communications, has assumed the post of chairman. At the inauguration ceremony telegrams of greeting were sent to General Chiang Kai-shek and Stalin. Dr. Sun Fo, president of the Legislative Yuan, is chairman of the Soviet Russian Cultural Union for the whole of China.

Japan Denies Building 45,000-ton Warships

Reports that Japan was building 40,000 to 45,000-ton battleships carrying 15.5-inch guns were categorically denied last week by a spokesman of the Navy Ministry in Tokyo as "apparently based on various groundless rumors." The report first appeared in the German naval annual "Nauticus."

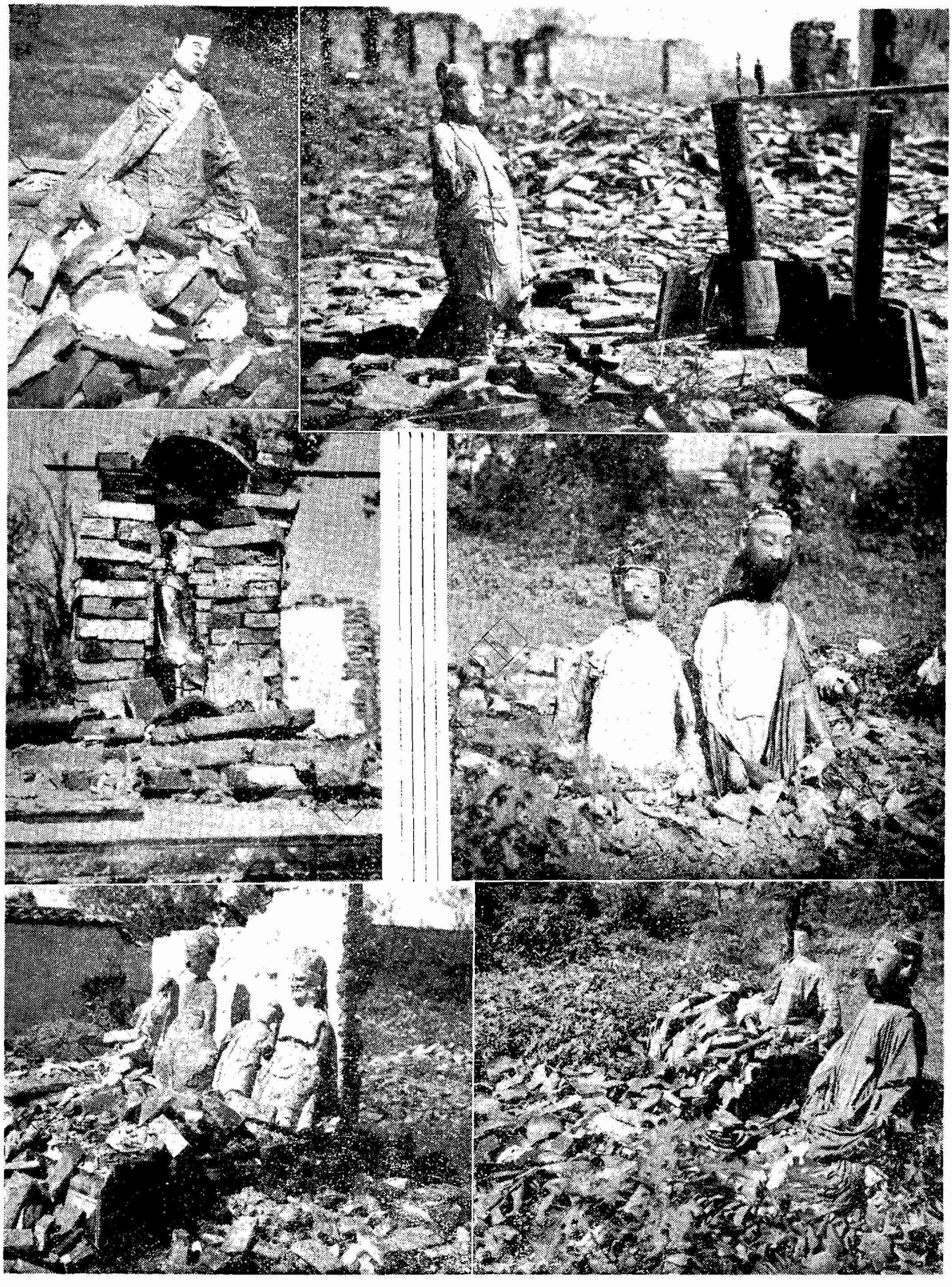
Conscription Planned in Manchukuo

The government of the puppet state of Manchukuo has decided to enforce military conscription in 1940, according to a *Domei* message from Hsinking. Preparations for the inauguration of compulsory military service will be completed next year, the message stated.

Floating Mine Said Found on Pacific

Discovery of a mine floating along a trans-Pacific sea route was told by the Captain of the Norwegian freighter, *Slemmestad*, 4,258 tons, which docked at Yokohama Dec. 10 from North America. The object was first discovered about 100 miles off Midway Island at a point 31.28 degrees North and 177.19 degrees East, according to the Captain. Halting the steamer, a boat was sent out to ascertain the hazard, which was found to be a floating mine about six feet in diameter, *Domei* reported.

Christmas for China's Gods



Christmas, 1938, finds the Gods of China's religions looking out from the midst of chaos at a chaotic world where the words, "Peace on Earth, Good Will Toward Men," cannot but be a wry jest in their eyes. The above scenes are near Shanghai. Japanese bombers destroyed the temples. Afterwards, soldiers of Dai Nippon, probably in a spirit of mockery and contempt, set the gods up amid the ruins of their former abodes, as seen above.—*Photos by K. J. Eskelund.*

Christian Activity Goes on in Areas Under Japanese Control

EVERYWHERE throughout Japanese-occupied areas in China, where the flag of the Rising Sun has meant oppression, lawlessness and anarchy, there are suffering, misery and woe. In this land are found Christian workers, foreign and Chinese, continuing faithfully and conscientiously their task of doing good.

The number of Christians fighting to counteract the manifold evils brought by the Japanese aggressor to the provinces of Kiangsu, Chekiang, Anhwei, Shantung, Shansi, Hopei, Honan, Chahar and Suiyuan, according to charts compiled by the National Christian Council of China in Shanghai, totals 261,500.

Those 261,500 men and women are those who had the courage to remain in their homes to face dangers or those who trusted to the neutrality of their religion.

Kiangsu tops the list with 98,000 such courageous Christians sticking to their homes within the Japanese-occupied areas. The rest are scattered in the eight other provinces as follows: 65,000 in Shantung, 50,000 in Hopei, 20,000 in Chekiang, 17,000 in Shansi, 5,000 in Honan, 2,500 in Anhwei and 2,500 in Suiyuan and Chahar.

A Great Field

Among the masses suffering from Japanese oppression, these Chinese Christians have found a great field of service. Through their churches, or hospitals or other Christian institutions, they are serving their wartime mission of helping their war-afflicted fellowmen. The Christian Church has become a lifeboat for the storm-tossed.

Outstanding among the Christian organizations active in humanitarian services in Japanese-occupied areas is the National Christian Council, a national advisory body with its head office in Shanghai. Its secretaries, American and British as well as Chinese, are busy raising funds for war relief through appeals in China and abroad.

In a broadcast given in Shanghai some time ago, Mr. Ronald Rees, British secretary of the N. C. C. reported that his organization had voted the sum of $1,000 to be placed at the disposal of the Methodist Hospital in Wuhu for medical relief work. In addition, that hospital has obtained a grant of $4,000 for the same purpose from the American Advisory Committee for China Famine Relief.

Other financial helps rendered by the N. C. C. included $6,000 to the Christian Committee at Paotingfu in Hopei which is doing refugee relief work over an area of 13 *hsien* (districts) south of Paotingfu and $5,000 for refugee relief in North Honan. Another big sum raised in the United States was allocated for distressed people in North Honan.

Through pleas for help voiced by secretaries of the N. C. C., a National Committee for the Relief of War Sufferers in China was formed in Canada and that body sent 20,000 Canadian dollars to the International Red Cross Committee in Hankow.

The N. C. C. is co-operating with the China International Famine Relief Commission which, Mr. Rees reported, has a strong branch in Tsinan, capital of Shantung Province, with Dr. H. R. Williamson as chairman. That branch has received special gifts of $20,000 from England and another $20,000 from the C. I. F. R. C. in Shanghai.

Nanking Problems

In Nanking, despite the Japanese occupation, are found foreign missionaries and Chinese Christians enthusiastically trying to alleviate the suffering of the people. There are upward of 25,000 destitute, mostly women and children in the refugee camps who receive help and succor from those good samaritans. Mr. John Magee of the American Church Mission is directing the work of the Red Cross in Nanking.

Some of the foreign missionaries in Nanking are even anxious to do something that would reform the Japanese soldiers. Mr. Forster of the American Church Mission is quoted in a "letter" published by the mission in Shanghai as saying, "All sorts of evil inducements are being given the Japanese soldiers in Nanking—cabarets, saloons and brothels. The section of Tai Ping Road near Ta Hsing Kung is the center of all this evil. On any afternoon one can see any number of drunken soldiers and sailors staggering around. My thought has been of the possibility of contacting the Japanese Church to send over several Japanese priests to work among the troops, to hold services, keep open house, offer opportunities for conversations, reading, writing letters, and so forth. I believe such work would be invaluable for the men and for the cause of the Kingdom."

In Shanghai, foreign missionaries and Chinese Christians form one of the most active groups in refugee relief work. Sick Chinese refugees are sheltered and given free medical treatment in St. Luke's No. 2 camp which was made possible by the generous offer by the Academia Sinica of its magnificent plant at a moderate rate, and by the American Red Cross which supplied funds for its establishment and maintenance. It has a capacity of 250 beds and an average daily clinic of between 150 and 160. Dr. McCracken, superintendent of St. Luke's Hospital in Shanghai, and his hospital staff are giving part of their time to this humanitarian work.

Many of the refugee camps in Shanghai are provided by Christian groups, notably the Christian Refugee Camp on Hart Road where tens of thousands have been accommodated at different times. The Salvation Army in Shanghai, backed financially by the International Red Cross and by countless private subscriptions, has also done notable service.

At St. John's University

St. John's University now assumes the aspect of a refugee camp. All the dormitory buildings are occupied by the clergy and other Christian workers and their families who were compelled to flee from the interior—altogether a little over 400 people. In addition 250 poor woman and children are being housed in one of the wings of Yen Hall.

Recently arrived from Canada, these eleven young missionaries of the Scarboro Foreign Mission Society are now in Lishui, Chekiang, preparing for work in the field. Back row, Left to right: Reverend Fathers Alexander McIntosh of St. Andrew's, Nova Scotia; John Kelly of Eganville, Ontario; Garard McKernan of Brantford, Ontario; Charles Murphy of Sydney, Nova Scotia; Edward Lyons of Calgary, Alberta; Edward Moriarty of Harbor Grace, New foundland. Front row, left to right: Reverend Fathers Hervey Steele of Old Bridgeport, Nova Scotia; Michael Carey of Fortune Harbor, Newfoundland; Allan McRae of St. Raphael's, Ontario; Daniel McNeil of Ironville, Nova Scotia; Thomas Morrissey of North River, Newfoundland.

The number of churches of different denominations in Japanese-occupied areas throughout the nine provinces which are all rendering some war relief service, according to charts and maps compiled by the National Christian Council, total 1,298, while 89 mission hospitals are functioning within those areas. There are nine universities, 22 seminaries, 67 senior middle schools and 34 junior middle schools run by Christian Missions which are carrying on their academic work throughout regions temporarily lost to China.

The Church of Christ in China which has its advisory and supervisory organ in the General Assembly of the Church of Christ with head office now in Hankow, has 61 churches, six hospitals, three senior middle and one junior middle schools in Kiangsu Province; 45 churches, one hospital and one senior middle school in Chekiang Province; 230 churches, four hospitals, one seminary, two senior middle and two junior middle schools in Shantung Province; 38 churches, four hospitals and two senior middle schools in Hopei Province and 48 churches in Honan Province.

The Presbyterian Mission owns fifty churches, two hospitals and five senior middle schools in Kiangsu Province; 58

churches, three hospitals, three seminaries, four senior middle and two junior middle schools in Shantung Province and one university in Hopei Province.

To the Methodist Espiscopal Mission belong nine churches, one hospital, one seminary, three senior middle and one junior middle schools in Kiangsu Province; one hospital and one junior middle school in Anhwei Province; eleven churches and two junior middle schools in Shantung Province; 71 churches, six hospitals, two seminaries, six senior and two junior middle schools in Hopei Province and three churches in Charhar.

Other missions and denominations that maintain churches and other Christian institutions in the Japanese-occupied areas in China include the China Inland Mission, Independent Mission, American and English Baptist Mission, Bethel Mission, American Advent Mission, Church of England Mission, the Salvation Army, United Christian Mission, American Friends Mission, Southern Methodist Mission, and Oriental Mission.

Y.M.C.A. Troubles

Chinese Y.M.C.A.'s in areas now under Japanese military occupation have been suffering different fates ranging from total destruction to forceful seizure. In either case, the Japanese troops have rendered it extremely difficult, if not impossible, for these Christian organizations to continue their services.

The burning of the Nanking Y.M.C.A., after looting, by the Japanese last December was a notorious case. Mr. George Fitch, its American secretary, was in the fallen city when the magnificent "Y" home was gutted. It was erected 15 years ago, costing between U.S.$80,000 and U.S.$100,000.

The Chinese "Y" in Hangchow, however, was luckier in that respect. One morning, two days after the Chinese had evacuated the city, several Japanese soldiers led by their officers presented themselves at the "Y" building, where they found their way blocked by Mr. E. A. Turner, its American secretary.

"No, you can't have it," firmly declared Mr. Turner when the Japanese revealed their wishes, "Y.M.C.A. is an international organization. This building was erected with funds mainly raised by people in America. When they gave the money, they made it specifically clear that the building must be given over to Y.M.C.A. work exclusively.

"I am their trustee here to see that their original wishes are being enforced. I am absolutely sure that these contributors in the United States would not be very happy if the building should be made to serve other purposes. Furthermore, I never remember that they meant this building as headquarters for the Japanese Imperial Army."

Strong Words Win

Believe it or not, Mr. Turner's stern words and even sterner countenance succeeded in defeating the Japanese desires. To date, the Hangchow "Y" remains intact, but all opportunities for service, with the exception of small-scale relief work among the war-stricken civilians, have been thwarted.

The Chinese "Y" on Tung Ma Lou, Tientsin, once seized by the Japanese, was evacuated following strong protests lodged by foreign staff members, but the "Y" building in Paoting, provincial capital of Hopei, is still being used as billets by the invading troops.

Despite all this, wherever possible Y.M.C.A.'s in the occupied areas have been trying hard to carry on with their normal service programs, such as education, sports, recreation and religion, Excepting war refugee relief work, their services in the Japanese-controlled regions are strictly of a peace-time nature.

Memel, Tunisia Issues Hold Spotlight in Troubled Europe

A smashing victory for the German (Nazi) Party is expected to be the result of the Dec. 11 elections for the autonomous Diet in the Memel territory, which was separated from Germany after the World War. Official results of the poll were to be known this week-end and it was expected that these would see the German Party in control of 26 out of the 29 seats. The German Party estimated that 95 per cent of the electorate had voted, as compared with 91.3 per cent in 1935.

Political observers were of the opinion that early in the New Year the Memel Germans would make good on their expressed intention to demand annexation of Memel to the Reich, thus repeating the earlier tactics of the Sudetan Germans. It will be recalled, however, that after the cession of the Sudetan areas by Czechoslovakia under the terms of the Munich agreement, Herr Hitler announced to the world that his last territorial claim in Europe had been satisfied. It remains to be seen, therefore, whether he will feel called upon to "save" the Memel Germans from "Lithuanian oppression."

In Rome Do as the Germans Do

Detroit News.

Return Said Inevitable

Both the French and British press, commenting on the elections, which proceeded under the slogan "Back to the Reich," regard the return of Memel to Germany as inevitable. The London *Daily Express* believed that the transfer would take place in January and that Lithuania would be "compensated" for the loss through an arrangement for a free harbor to avoid confinement of her maritime commerce to he single port of Libau.

To facilitate the handling of any internal crisis which might arise as a result of the elections, the Lithuanian government has placed Kaunas, the capital, under martial law for a period of six months. A previous "state of siege" was terminated only on Nov. 1 of this year.

Franco-Italian relations continue to be strained due to continuing agitation in the press of Italy for "concessions" from France, although the precise nature of the concessions desired is not specified. A batch of Italian refugees from Tunis arrived in Palermo Dec. 12. All had taken part in the recent incidents in Tunis and had fled to escape arrest by the French authorities.

France Will Fight

Countering the press agitation in Italy, the Paris *Le Figaro* has declared: "As far as Tunis is concerned, there is not one Frenchman who would allow the least violation of our protectorate. Tunis is one of the most sacred things for which, if anyone dared to touch it, France, with one accord, would fight immediately." The *Excelsior* declared that Il Duce was mistaken if he imagined that the methods by which Herr Hitler changed the status of Central Europe for the benefit of Germany will enable him to change the status of the Mediterranean for the benefit of Italy.

In the House of Commons Dec. 12, Prime Minister Chamberlain stated that no specific pact exists at the present time under which, in the event of Italy starting warlike operations against France or her possessions, Great Britain would be required to render military aid to France.

After the recent outbursts by the Italian minority, relative quiet prevailed in Tunis this week. The French, however, erected strong defenses on the frontier facing the Italian territory of Tripoli.

"Greater Tsinan" Plan Under Consideration

A "Greater Tsinan" plan, aiming to rebuild the capital of Shantung Province into a city capable of absorbing a population of more than 1,000,000 within 30 years is reportedly being studied by the municipal authorities of that city.

In addition to a network of wide boulevards linking different parts of the city, and many parks, the city will have a business and industrial district in the southern part and a separate district for residences and government offices, according to the plan being studied.

A new railway station for use by passengers of both the Tientsin-Pukow Railway and the Kiaochow-Tsinan Railway will be built, while to the west of the city will be laid out two large airdromes, according to the report.

To ensure the safety of the residents near the Shantung capital, the Yellow River dykes on the south bank will be completely rebuilt in three sections, the report added.

Moscow Invites British Correspondents

The Soviet Russian government has informed various English newspapers that it would be pleased if they would appoint permanent correspondents in Moscow, according to a *Transocean* report.

Up to now the *Times*, *Daily Mail* and *Daily Express* have been notified. In response to this invitation the *Daily Mail* has, the agency states, decided to send a permanent representative to the Soviet capital.

No British newspaper has a correspondent of its own in Moscow. It will be recalled that almost all British journalists formerly domiciled in Moscow were compelled to move their seat of activities to the Baltic states when expelled from the Soviet Union.

Scrap Iron Cargoes Are Shipped to Japan

A cargo of scrap iron and copper, collected by "traitors" in the Japanese-occupied areas of Shanghai, was shipped from here to Japan in the *Siking Maru* Dec. 10, according to the *Chinese-American Daily News*. The shipment totalled 3,000 tons. The same paper reported that a further consignment was shortly due to be shipped in the *Peiyeh Maru*.

Japanese Bomb China's Red Capital

A surprise raid was staged by Japanese army planes on Communist bases in Shensi on the morning of Dec. 13, according to Japanese military dispatches received in Peiping. Tons of heavy bombs, *Domei* reported, were showered on Yenan, capital of the former "Chinese Soviet Republic" and headquarters of the Eighth (former "Red") Route Army. The raiders claimed to have demolished a Communist university and other important buildings.

Shipments of Soviet Russian arms and munitions to China, according to a *Domei* report from Tokyo, are on the increase. Larger quantities of Soviet arms and ammunition are coming through Urga, capital of Outer Mongolia. This route, it was explained, starts from Uranude on the Siberian Railway line at the eastern shore of Lake Baikal running southward to Urga and through the western section of Outer Mongolia. The other route goes through Sinkiang province.

A much shorter route will be made available when the railway line from the Soviet Union-Outer Mongolia frontier to Urga is completed by the end of this year. This route is expected to further increase arms traffic because of the geographical advantage over the one through Sinkiang, the report said.

No Counter-Attack

While Japanese military operations in the Northwest seemed to be confined this week to "mopping-up" operations against guerillas, reports from the Southwest told of a number of apparently small-scale engagements. Japanese commanders in South China said they could discern no concrete evidence of the "much-publicized Chinese counter-attck on Canton." Chinese troops operating in eastern Kwangtung recaptured Poklo, northwest of Weichow, on Dec. 11, according to Chinese dispatches.

Japanese troops, meanwhile, continued their advance north along the Canton-Hankow Railway and claimed to have reached Chuentien, 50 kilometers north of Canton, by Dec. 10. Supreme command over all military operations in Kwangtung province was reported to have been given to Gen. Pai Chung-hsi following a military conference held at Kweilin, Kwangsi capital, last week. The conference, *Kuo Min* said, was presided over by Gen. Chiang Kai-shek. Command of a sector to the east of Canton has reportedly been given to Gen. Tsai Ting-kai, commander of the former 19th Route Army, which made history at Shanghai during the Sino-Japanese hostilities in 1932.

Military operations in Hunan, where a Japanese column is driving south from Yochow towards Changsha, the provincial capital, were largely confined this week to aerial attacks on Chinese positions by Japanese army planes. On Dec. 11, *Domei* reported, Japanese aircraft raided Chinese positions in the vicinity of Sintsiang, 30 kilometers south of Yochow, and inflicted heavy casualties.

Osaka Airdrome Is Completed

After nearly two years of construction the Japanese Government operated second Osaka airdrome on a hill site at Kamitsu-mura, Hyogo Prefecture was ready Dec. 1. Finishing touches were given the field and hangars Nov. 30 and the airdrome made its debut as one of the "model" airports in Japan. Construction was started in January of last year under the supervision of the Ministry of Communications.

Another Move to Monopolize Tobacco

The Tokyo Leaf Tobacco Company, supposedly a subsidiary of the Japanese Government Tobacco Monopoly Bureau, is planning a further move to invade the China cigarette and leaf tobacco field. According to *Domei* the Toa Company, also a subsidiary of the monopoly bureau, is considering the matter of establishing cigarette factories in Central China. The report stated that the two concerns had the full support of the Japanese Government in their program to establish control over the tobacco industry of Central China.

An earlier report from Peiping stated that the British Embassy had lodged a strong protest with Japanese authorities due to the assessment of a special tax at Kaigan which was regarded as discriminatory against neutral-shipped cigarettes under the Japanese-sponsored Mongolian administration. The report stated that Japanese-Made cigarettes were only taxed 60 percent of the rates levied against the products of the British-American Tobacco Company.

An article in the *Chugai Shogyo Shimpo*, Tokyo, Nov. 15, stated that the Manchukuo Government would shortly organise a Manchurian Leaf Tobacco Control Company which would take over production, sale, import and export and distribution of leaf tobacco within the puppet state. The company will erect plants for conditioning tobacco in the growing districts.

According to a *Domei* report from Peiping the British-American Tobacco Company (Yee Tsoong) has just completed a transaction in leaf tobacco in Shantung province which was initiated with the Japanese Army authorities in March of this year. The *Domei* report stated that the B. A. T. had paid U.S. $290,000 to the Jappnese Federal Reserve Bank in Tientsin for Federal Reserve notes with which the Shantung tobacco was purchased from the Shantung farmers. The report stated, however, that a new contract for tobacco purchases next year had not yet been concluded.

Chinese Industrialists Visit Manila

Chinese industrialists, with interests in Shanghai and Wusih, have arrived in Manila for the purpose of investigating the possibility of removing their establishments to the Philippines. Latest to arrive in Manila was Ping Yuan-tang, managing director of the Cheng Foong Company, Ltd., cotton spinners and weavers, who said he was making a survey with the object of removing to Manila due to Japanese activities in the lower Yangtsze Valley.

T. Y. Tu, Consul-General at Manila, said that other Chinese businessmen had also arrived for the purpose of investigating conditions in the Philippines and also in Malaya, with the object of moving their factories to suitable locations in those areas.

Big Paper Mill To Be Built in Kunming

The Chinese Government has adopted detailed plans for the erection of a large paper mill in Kunming, capital of Yunnan, according to a Hongkong message to the *Shun Pao* Dec. 13. Capital for the enterprise, it is stated, has been fixed at $2,000,000.

Shipping Monopoly Planned for Yangtsze

While persisting in their refusal to reopen the Yangtsze to navigation by foreign shipping other than Japanese, on the pretext of "military necessity," the Japanese authorities are busy, according to a recent report in the *Hwa Mei Wan Pao*, organizing a "Yangtsze Navigation Company." This company, it was understood, would be similar in character to the previously-organized Kiangsu and Chekiang Inland Navigation Company and would be given monopoly rights over all shipping on the Yangtsze.

Despite apparent Japanese determination to continue excluding their trade rivals from China's greatest waterway, two new gunboats for British service on the Yangtsze are being completed in London. The *Dragonfly*, 585-ton vessel, was launched Dec. 8. H.M.S. Grasshopper, another vessel slated for the China Station, is still on the stocks.

The U.S.S. Luzon, flagship of the American Yangtsze patrol, which reached Shanghai from Hankow Dec. 10, made the trip without any difficulty. Ship's officers reported that not a single mine was seen, nor were there any signs of Chinese soldiers or guerillas along the banks of the river. Nevertheless, they said, the Japanese kept up a continual bombardment of the right bank, presumably to convince the Americans that fighting was going on. The French gunboat *Amiral Charnier* arrived here from Hankow with the *Luzon*.

Japanese Commander Challenges Chiang

Lieut.-Gen. Rikichi Ando, commander-in-chief of the Japanese forces in South China, invited Gen. Chiang Kai-shek to uphold his honor as a soldier in a decisive battle in a written challenge made public here this week, according to a *Domei* report Dec. 13 from Canton.

"You are showing us your back, pretending that it represents what you describe as 'protracted resistance,'" the challenge read in part, according to a communique issued by Japanese headquarters. "Such behavior, however, invites only contempt and is not in keeping with a soldier's honor. Should you meet defeat, you had better beg the forgiveness of your ancestors and dispose of yourself in a manner worthy of a soldier after having apologized to the Chinese people for your misdeeds."

"Black-Listed"

Gen. Chiang Kai-shek, Nationalist leader, figures prominently on the Chinese Communist "revenge list" according to which several prominent Chinese military leaders are gradually being liquidated, a contributor, signing himself as "Yangtsze Hermit," declared in the Shanghai *Mainichi* Dec. 6.

The execution of Gen. Ku Cheng-lun, commander-in-chief of the Chinese Nationalist Gendarmerie, on charges of incompetence in connection with the recent disastrous "scorching" of Changsha, which also cost the lives of other Chinese officers, as well as the killing of Gen. Han Fu-chu, former military and political boss of Shangtung, were attributed by the "Hermit" to Communist pressure.

Mount Asama Erupts Twice in Ten Days

Mount Asama erupted for the second time within 10 days when the volcano near the Karuizawa summer resort staged a spectacular outburst on Dec. 10. Authorities were investigating the possibilities of damage to the neighboring area, *Domei* reported.

THE
CENTRAL BANK OF CHINA

A BANKERS' BANK

SHANGHAI OFFICE:

15 The Bund, Shanghai

Telephone 12570 Cables: "Governbank"

BRANCHES:

NANKING	*Chuhsien*	Swatow	NANCHANG	Laochow
Hsuchow	AMOY	TIENTSIN	*Chi-en*	Kweiyang
Panpu	Foochow	Peiping	*Fuchow*	CHUNGKING
Sinpu	*Chuenchow*	*Shihkaichuan*	Kiukiang	Chengtu
Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ow*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

87-103

For Better CLEANING and PRESSING

42 HOUR SERVICE IF DESIRED.

Our modern equipment our modern methods give unparalleled results to the cleaning we do. It's done carefully to protect fine fabrics and thoroughly to insure your satisfaction.

Pride

Phone 32876-31020

PRIDE DRY CLEANING CO.
Inc. in Delaware, U.S.A.

THIS ROOFING STOPS 2 KINDS OF LEAKS

They are the leaks in your roof that cause leaks in your pocketbook.

This Texaco Roll Roofing will stop both. It's made right for long, hardweather service, year in and year out protection and economy. Come in, let us show you actual samples.

THE TEXAS CO. (CHINA) LTD.

12 The Bund Tel. 11566

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Nov. 25.—Over 100,000 Chinese refugees crossed Hongkong border into British territory, as Japanese troops captured Shumchun, town on Chinese side of the border. Pathetic scenes were witnessed as hundreds of refugees were separated from their children and relatives in the frantic rush for sanctuary.

Severe fighting broke out north of Shenkang, on which the Japanese were converging from the north and west. One Japanese column pushed steadily southward along Canton-Kowloon Railway towards Kowloon, while another pushed east towards Shenkang.

Japanese said planning large-scale invasion of China's Northwest; some 18 divisions allegedly massed for major attack on Shensi and Ninghsia in an effort to cut China's route of communications with Soviet Russia; 100,000 civilans evacuated from Sian, Shensi capital, in anticipation of the invasion.

Japanese air raid on Yenan (capital of Chinese Communist district in Shensi) yesterday caused some 80 casualties and destruction of more than 20 houses. Over 30 bombs were dropped.

Puppet "Wuhan Peace Maintenance Commission" set up at Hankow by the Japanese, with Chin An-jen as president.

Nov. 25.—Japanese airbombing of four mosques in Sian aroused indignation among Moslems in Shanghai. Haji Hilaluddin, Iman of the Chekiang Road Mosque, declared that not only in China but throughout the world, Islam would protest against the bombing of Sian mosques.

Nov. 25.—Joint action by the Powers to check Japan urged by **Central Daily News** at Chungking. The paper said only two ways now open to the Powers: 1. Complete withdrawal from the Far East, or 2. Joint action by Great Britain, France and the United States for a thorough liquidation of the Far Eastern crisis.

Like Great Britain, France and the United States have also rejected Japan's reply to their notes protesting against the closure by the Japanese of the Yangtsze to foreign shipping.

Eleven of Shanghai's leading national foreign trade and civic associations have united in "common front" against trade restrictions imposed by Japanese in Shanghai. They urge retention of all rights under the Land Regulations by Shanghai Municipal Council; reopening of Hongkew, Yangtszepoo and Western districts; restoration of transportation facilities in Yangtsze Valley and other areas; discontinuance of censorship and removal of other restriction contrary to 9-Power Treaty.

Nov. 25.—Fu Siao-en, Mayor of Shanghai, had narrow escape when an attempt was made on his life in front of his headquarters at Kiangwan. A Japanese sergeant S. Tokuya was killed in gun battle with two Chinese gunmen. Attackers believed Chinese policemen employed by Fu's Municipal Government.

Nov. 25—Second anniversary of the Anti-Comintern Pact observed in Japan, Germany and Italy.

Nov. 25—China had an unfavorable trade balance of approximately $2,000,000 in October, according to the monthly report issued by the Shanghai Customs. Exports to foreign countries during the month amounted to $76,113,657, while imports into China from abroad were valued at $78,040.915. China's foreign trade for the first 10 months of this year, according to Customs figures, shows a decline of approximately $100,000,000 in both imports and exports compared with 1938.

*
**

Nov. 26.—Fighting continues in vicinity of Hongkong borders. Some 1,700 Chinese troops ranged on the border, putting up stiff resistance. British Middlesex Regiment on Hongkong-Canton Highway shelled by Japanese artillery. A number of Japanese troops crossed Shumchun river into British territory and occupied British outpost No. 2, hoisting the Japanese flag there. They finally withdrew, at request of British officers.

Nov. 26.—National Government issued order, enjoining civilians to salute Chinese troops marching to or returning from the front, in order to show respect for the army fighting for their country.

Nov. 26.—Organization of Citizens' Army similar to that promoted by Tseng Kuo-fan in Hunan during the Taiping Rebellion, urged by civic leaders in Szechuan. Suggestion being studied by Generalissimo's Headquarters at Chungking.

Nov. 26.—Japanese military authorities ordered puppet provincial governments of Kiangsu and Chekiang to start extensive cultivation of poppies in order to raise revenues, according to report in **The China Press.** Dr. M. S. Bates, American missionary educator at Nanking, in a statement to **The China Press,** declared the Nanking area was flooded with narcotics supplied by four Japanese controlled drug rings:

(1) The Special Service Section of the Japanese Army.
(2) The puppet administration of Nanking.
(3) "Independent" Japanese and Korean Drug runners.
(4) Japanese business firms.

Monthly sales estimated at $5,000,000. Some 50,000 residents said victims of drugs, including many children.

Nov. 26.—National Government consented to appointment of Henri Cosme as new French Ambassador to China, succeeding Paul Emile Naggiar, who was transferred to Moscow. Ambassador Naggiar leaving Shanghai for France on Nov. 28, en route to his new post.

Nov. 26.—Deadlock occured in Japanese plans to establish puppet central government in China. Chief difficulty said disagreement between various sections of Japanese Army regarding the form of the new government and the area it should control. Gen. Wu Pei-pu also balked at acceptance of chairmanship.

Nov. 26.—Up to Nov. 10, four-American organizations, functioning in the United States, contributed a total of U.S. $775,598 to aid China's war victims, according to C.R. Bennett, treasurer of American advisory Committee for Civilian Relief in China. This group represents in China the Church Committee for China Relief, the China Famine Relief, U.S.A., and the United Council for Civilian Relief in China.

Nov. 26.—Bank of Communications to open branch office in Manila in order to solicit contributions from overseas Chinese residents in the Phillippine Islands, according to Japanese report.

*
**

Nov. 27.—Chinese refugees continue to pour into British territory across

Hongkong border. Japanese troops captured Pokuling, mid-wayy between Shumchun and Shataukok. Japanese detachment said also landed at Nantau and huge fires now raging in that district. T. Y. Chang, formerly secretary of Shanghai City Government, reported wounded on Kwangtung-Hongkong border during battle with Japanese troops. Mr. Chang was serving as Commissioner of Police at the border village of Shumchun.

Nov. 27.—Cantonese division which participated in operations on Central China front, are now counter-attacking Canton from Yintak along Canton-Hankow Railway. Chinese troops on Canton-Kowloon Railway have retired from the railway zone and are concentrating at various points east and west of the railway.

After a lull of a week, fighting again broke out on Hunan front; Japanese troops on north bank of Sintsiang river are attempting to cross the river in order to attack Sintsiang station, on Canton-Hankow Railway, seven miles north of Yochow. Some 8,000 Chinese prisoners released from jails since outbreak of Sino-Japanese hostilities have joined the army and are now fighting at the front, according Chungking report.

Nov. 27.—Peace rumors officially denied at Chungking. Government spokesman declared. "China will never accept peace under humiliation."

Nov. 27.—Chen Chieh, new Chinese Ambasasador to Germany, who arrived at Berlin on Oct. 20, has not yet been received by Hitler. Date of reception of Mr. Chen postponed three times and now reported to be postponed indefinitely. Chinese circles indignant at deliberate delay.

Nov. 27.—Gen. Count J. Terauchi, Japanese Commander-in-Chief in North China, reported to have left Peiping for Tokyo; will be replaced by Gen. Gen Suigiyama, former War Minister.

Nov. 28. –Gen. Chiang Kai-shek reported to have personally taken over command of Chinese Forces in South China; post hither to held concurrently by War Minister Gen. Ho Ying-chin. Gen. Pai Chung-hsi appointed deputy Commander-in-Chief in succession to Gen. Yu Hanmou, Pacification Commissioner for Kwangtung.

*
**

Nov. 28.—Lt.-Gen. S. Itagaki, Japanese War Minister, addressing a conference of munition factory proprietors, declared that end of the war in China is not yet in sight, but he believed Japanese Army strong enough to crush China. Gen. Tojo, Vice-Minister of War, declared that Japan now faced operations against the Soviet Union **and China** and that therefore new armaments must be built up on a "two-power" standard.

Leading Tokyo daily **Kokumin Shimbun** reported that Japanese Government was formulating a positive plan for dealing with various questions which involve the rights and interests of third Powers in China. Salient feature of the scheme said to be Japan's grim determination to ward off foreign interference in China activities.

Nov. 28.—Kenji Kodama, governor of the newly-formed Central China Development Company, arrived at Shanghai.

Nov. 28.—"Scorched Earth Policy" advocated by **Hsin Hua Jih Pao**, Communist organ at Chungking, in case of Chinese withdrawal from cities threatened by Japanese invaders.

Nov. 28.—More than 25,000 tons of scrap iron shipped to Japan from Shanghai abroad Japanese transports, according to Chinese report.

Nov. 28.—Paul-Emile Naggiar, retired French Ambassador to China, left Shanghai aboard the **Empress of Canada** for Moscow as Ambassador to the Soviet Union. He will stop over in the United States, en route.

Nov. 28.—Chinese High Command has decided to establish two field headquarters, one to be situated on Northern

BAKERITE 沙利文

BREAD—BISCUITS
CHOCOLATES—CANDIES

●

Always Dependable

"A food product is only as good as the care it receives."

1. Only highest quality ingredients used.
2. Modern machinery and equipment.
3. Factory under complete supervision of qualified, capable foreign bakers and candy makers.

●

BAKERITE CO.

Federal Inc., U.S.A.
221 Nanking Road
883 Bubbling Well Road

87-105

SWAN, CULBERTSON & FRITZ

Investment Bankers and Brokers in Securities and Commodities.

Daily New York and London Stock Exchange Service.

•

Sassoon House **Telephone 11200**

I. D. EMULSION of COD LIVER OIL

an ideal nutrient

Excellent Quality

Reasonable Price

Invaluable as a Tonic for All Ages

•

INTERNATIONAL DISPENSARY, LTD.

五洲 魚肝油白乳 五洲藥房出品

87-106

Bank of the Yangtsze and the other on southern bank. Names of the Commanders-in-Chief of the two headquarters not yet announced.

Nov. 28.—Chinese troops atop Kuling mountain still holding out, despite numerous assaults by the Japanese; fresh supplies of ammunition, food and funds have reached them, enable them to withstand prolonged Japanese siege.

***

Nov. 29.—Vice-Admiral Nomura, Japanese naval spokesman at Shanghai, declared that present embargo on foreign activities in areas occupied by Japanese forces must persist as long as hostilities between China and Japan continue. This was the view, he said, which was conveyed in a memorandum from Vice-Admiral Oikawa, Commander-in-Chief of Japanese Naval Forces, to Commanders-in-Chief of the British, American, Italian and French Forces in China. Admiral Oikawa's statement was issued independently of the Japanese Government's statements at Tokyo.

Nov. 29.—Britain said forfeiting her rights and interests in China by continued policy of favoring Gen. Chiang Kai-shek's regime, declared Lt.-Gen. H. Tojo, Vice-Minister of War.

Nov. 29.—Chinese Communist Party issued appeal to Japanese Communist Party, urging Japanese to "overthrow their fascist militarists."

Nov. 29.—Powerful 35-kilowatt short wave broadcast station, constructed at Chungking.

Nov. 29.—Zee Ching-ping, 61, head of the bond and loan office of Finance Department of Shanghai City Government, assassinated; death inflicted by severe axe wounds. His wife was also severely wounded but expected to live.

Nov. 29.—Simultaneous big push in Northwest, Central and South China by the Japanese believed imminent. Chinese reports state that the Japanese are massing troops in vicinity of Hankow, Canton and Taiyuan for a simultaneous advance into Shensi, Hunan and Kwangsi.

Chinese claim success in offensive on Hunan border; Chinese vanguard reported having reached a point seven miles south of Yochow.

***

Nov. 30.—Important military conference held yesterday at undisclosed place in northern Kwangtung, presided over by Gen. Chiang Kai-shek and attended by all ranking commanders in that province. New plans for coping with Japanese invasion of South China decided upon.

Japanese troops, having completed their military operations on Hongkong frontier, now withdrawing to the north; Japanese flags at Shumchun said removed, according to **Reuter** report.

Changteh, important city on Changsha-Chingchow highway in northwestern Hunan, raided by more than 30 Japanese planes yesterday, according to Japanese report.

Nov. 30.—British Municipal Council at Tientsin decided to accept notes issued by Peiping's "Federated Reserve Bank of China" in payment of taxes and bills, beginning on Dec. 1.

Nov. 30.—S. Hidaka, Japanese Consul-General at Shanghai, chosen as head of Economic Affairs Bureau of the newly-created Asia Development Board, the central organ of the Japanese Government to direct affairs in China. Y. Miura, now Consul-General at Tsingtao, will succeed Hidaka.

Nov. 30.—Yangtsze patrol warships of third Powers, "bottled up" between Wuhu and Yochow since the outbreak of the Sino-Japanese hostilities 16 months ago may soon be allowed to sail to Shanghai, but they would be required to move in convoys, according to statement by Japanese naval spokesman.

***

Dec. 1.—No important changes occurred in the general war situation during past week, according to Chinese military spokesman at Chungking. Scene of major operations expected to be shifted to Shensi and Shansi, but wintry weather likely to prove as deterent to the Japanese. The spokesman estimated the strength of Japanese forces fighting in South China at about 80,000 men, with some 50,000 reserves held in readiness at Formosa.

Dec. 1.—Japanese Premier Prince Konoye declared that the war in China would come to an end sooner than anticipated, should General Chiang Kai-shek be prepased to take part in a new Chinese Government, according to a **Trans-Ocean** message from Tokyo. Considerable political significance seen in the declaration.

Dec. 1.—Chinese circles at Chungking urging the United States Congress to revise Neutrality Law in the light of present situation in the Far East. **Central Daily News** suggested that distinction must be made between the aggressor and the victim. America's historical and moral obligations towards China, especially under the Nine-Power Treaty, emphasized.

Dec. 1.—**Kokumin,** Tokyo newspaper, urges recall of British Ambassador, Sir Robert Craigie; presence of envoy said injurious to Japanese-British relations; attack believed inspired by Gaimusho.

Dec. 1.—Fifth Plenary Session of Central Executive Committee of the Kuomintang, originally scheduled to be convened at Chungking on Dec. 15, now postponed for one month.

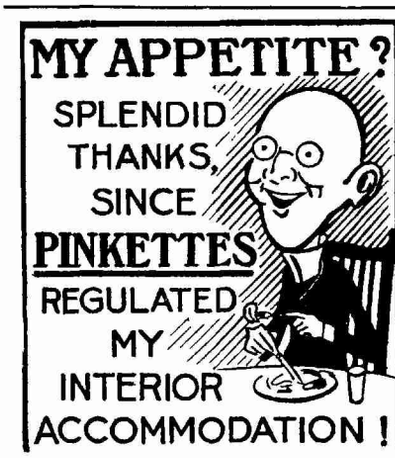
Dec. 1.—R. A. Butler, British Under-Secretary of State for Foreign Affairs, declared (yesterday) at House of Commons that the British Government could not accept as valid Japan's arguments for maintaining closure of Yangtsze River to British shipping. He added that further representations had, accordingly, been made by Sir Robert Craigie, British Ambassador in Tokyo.

Dec. 1.—Officially announced at Peiping that Gen. Count Terauchi, Japanese Commander-in-Chief in North China, had been recalled and Gen. Gen Sugiyama, former War Minister, appointed his successor.

Gen. K. Doihara, Head of Japanese Army's Special Service Section, who returned to Peiping from Tokyo on Nov. 29, is reported to have brought with him completed plans for the new "Central Government of China" with Marshal Wu Pei-fu as "President." Wang Keh-min, head of present Peiping regime, expected to resign upon formation of the new government.

***

Dec. 2.—Japanese drive into Hunan



If troubled with constipation, torpid lives, biliousness, sick headache, flatulence, offensive breath, lack of appetite, ill-temper, gloom, try just a little dose of Pinkettes tonight—you'll feel 100% better and brighter in the morning. Sold by all chemists,

Pinkettes Keep You Well.

along Canton-Hankow Railway slowed down; lack of communication lines said the main cause. The Japanese are rushing completion of new military road connecting Yochow with Tungchen (on Hupeh-Hunan highway).

The long-expected Japanese drive into Shensi likely to be held up for some time, because large Chinese mobile units have filtered into the southwestern corner of Shansi, across the Yellow River, where they are causing Japanese garrisons considerable difficulty. More than 250,000 Chinese regular troops concentrated south of Yellow River in Honan and Shensi, prepared to meet any Japanese attack.

Dec. 2.—Japanese forces at present operating in Yangtsze valley total approximately 15 divisions or 300,000 men, while Japanese aircraft in China total over 1,200 airplanes, according to information received by military experts in Chungking.

Dec. 2.—Export of raw cotton from North China placed under license system by Peiping "Provisional Government" from Dec. 1. Action said designed to facilitate export of raw cotton to Japan.

Dec. 2.—Sutsien, city southeast of Hsuchow, occupied by the Japanese on Nov. 26 and all foreigners there safe, according to delayed message received by Shanghai Office of the Southern Presbyterian Mission.

Dec. 2.—Yunnan-Burma highway completed; road already used by trucks. Work on Yunnan-Burma railway progressing and expected to be completed shortly.

Dec. 2.—Hundreds of Chinese arrested and tied up at street corners in Canton by the Japanese; rifle and machine-gun fire audible by residents in Shameen. Foreigners forbidden to visit Canton city.

Dec. 2.—Wang Yung-kwei, chief of detectives of Pootung branch of "Shanghai City Government," had narrow escape from death, when he was fired upon four times by Chinese gunman but the bullets all missed their target. Wang was walking along Bubbling Well Road, where the attempt on his life was made. The gunman was arrested by police and gave his name as Tsu Hangliang.

Dec. 2.—Rear Admiral Masao Kanazawa, chief of Publicity Bureau of Japanese Navy Office, declared that Japanese military authorities would be compelled to maintain **status quo** of Yangtsze River, "as long as the Chinese armies persist in their present attitude." This statement was made to uphold the declaration of the spokesmen of Japanese Army and Navy Headquarters in Shanghai regarding the question of free navigation on the river. Foreign ships operating in the estuary of the Yangtsze open to free navigation charged with supplying arms to Chinese guerillas.

Dec. 2.—Japanese Cabinet approves new budget for next fiscal year, totalling Y.3,694,000,000.

Dec. 2.—Another million books belonging to the World Book Company were seized from its warehouse in Hongkew yesterday by Japanese authorities; this new seizure brought the total number of books taken from the Company to more than 6,000,000 copies.

Dec. 2.—Tibetans said taking deep interest in present Sino-Japanese hostilities; Tibetan leaders pledge support to China's cause; daily prayers being offered in monasteries throughout Tibet for success of Chinese Army.

Dec. 2.—Chinese spokesman at Chungking declared that the Chinese Government "is considering taking appropriate measures" regarding the action of Tientsin British Municipal Council in agreeing to accept the notes issued the Peiping "Federated Reserve Bank" in payment of taxes and bills.

Dec. 2.—Relief grants amounting to $140,000 were made by Shanghai Refugee

I ALWAYS GO BY

P&O

IT'S MORE COMFORTABLE

Agents:

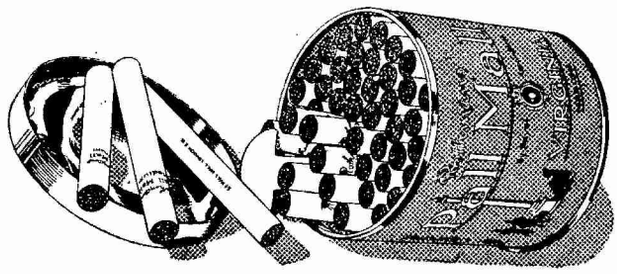
MACKINNON, MACKENZIE & CO.

27 THE BUND, SHANGHAI

87-107

a Pall Mall Gift for Christmas

with PALL MALL Cigarettes



Virginia Tobacco

Obtainable at

TABAQUERIA FILIPNIA, LTD.

156 Nanking Road Telephone 12245

Do you know that you can have——

AN EXTENSION TELEPHONE
at the cost of only a few cents a day?

TELEPHONES IN COLOUR
that will harmonize with whatever decorative colour scheme you have selected for your home?

TELEPHONE ANSWERING SERVICE
a reliable and confidential "Twenty-four Hour Telephone Secretary"—a service whereby messages are received in your absence, recorded and transmitted to you upon your return?

PROTECTION AGAINST BURGLARS
by pushing a button which will ring an alarm at the nearest Police Station?

A PRIVATE AUTOMATIC BRANCH EXCHANGE
in your office or home, making automatic (dial) intercommunication possible between extension telephones and providing communication with the city network?

SHANGHAI TELEPHONE COMPANY

232 KIANGSE ROAD TELEPHONE 94090

Relief Association to 70,000 refugees in 66 local camps during November, according to Kenyon Tseng, spokesman of the Association.

*
**

Dec. 3.—Kweilin, captal of Kwangsi, has suffered severely as a result of the daily bombing raids carried out during past few days by Japanese airplanes. More than 600 houses demolished and principal streets of the city reduced practically to ruins. The bombings believed to herald Japanese invasion of Kwangsi.

Gens. Li Tsung-jen and Pai Chung-hsi, Kwangsi provincial leaders, issued joint appeal, urging Kwangsi population to remain calm and organize themselves to resist the Japanese invasion.

Dec. 3.—Important military conference reported to have been in session somewhere in South China since Nov. 25, according to Chungking report. Conference said attended by all divisional commanders.

Dec. 3.—Japanese press spokesman at Shanghai denied the **Trans-Ocean** report from Tokyo quoting Premier Prince Konoye as having declared that the Japanese hostilities in China would come to an end sooner than anticipated, should Gen. Chiang Kai-shek be prepared to join a new Chinese central government. The spokesman said that the Japanese policy of not dealing with Gen. Chiang remained unchanged.

Dec. 3.—American school children present through American Junior Red Cross 5,000 Christmas boxes to Chinese refugee children as an expression of sympathy.

Opium Monopoly Said Established Here

Japanese plans for the establishment of an opium monopoly in Shanghai have definitely materialized, according to a report which appeared Dec. 10 in the *Wen Hui Pao*. An "Opium Suppression Administration," the paper said, has been set up by the Special Service Section of the Japanese army, which hopes to derive a handsome revenue from the drug traffic.

The new monopoly, it was understood, applies to the wholesale trade. Most of the opium hongs are located in the western area of Shanghai, in Nantao and in Pootung. Formerly there were 22 such hongs, but following establishment of the monopoly the number has been reduced to 12.

On Nov. 20, according to a recent report in the *Hwa Mei Wan Pao*, 1,600 cases of opium valued at $3,000,000 were shipped to Shanghai from Dairen by the Mitsui Bussan Kaisha.

Large quantities of opium, valued at several million dollars, have been transported into Hankow by two leading Japanese business firms, the Mitsui Bussan Kaisha and the Mitsubishi Shoji Kaisha, the Shanghai *Wen Hui Pao* reported Dec. 13. Plans are stated to be underway for the establishment of a large-scale opium hong in Hankow.

Lyall Retires From Geneva Opium Board

Mr. Leonard A. Lyall of the Permanent Central Opium Board, a League of Nations institution in Geneva, recently retired from the chairmanship of that body, according to a report received here. Mr. Lyall came to the Board well qualified to direct its work, having been connected with the Chinese Maritime Customs since 1886. He was Chinese Secretary in Peking, and in 1913 Commissioner of Customs in Shanghai. In 1917, the President of the Chinese Republic appointed him vice-president of the Chinese Commission for Tariff Revision, and in 1922 he was made vice-delegate of the same body.

Sino-Soviet Entente Cordiale

(*Continued from page 83*)

theaters. This will be the first showing of Chinese war pictures abroad.

When the Japanese militarists started their "Manchurian Adventure" on the fatal night of September 18, 1931, China and the Soviet Union were at odds, but diplomatic relations were restored shortly afterwards. When the Japanese militarists fired the first shot in their aggressive war on China, China and the Soviet Union immediately entered a Non-Aggression Pact. Whether there are any other confidential understandings or agreements between them, we do not know. But this much can be said: that the aggressive war which the Japanese militarists have been fighting with China has straightened out Sino-Soviet relations and placed them on a far more solid and cordial basis.

November 8, 1938, Chungking.

Shadow of Navy

(*Continued from page 84*)

the Japanese Army remains bogged on the Chinese mainland. How long the hornets' nest could hold out unaided against an overwhelming superiority of strength may be another matter.

Stir From China

All the naval stir and commotion are coming at present from the coast of China, where the main weight of the Japanese Navy is moving slowly south. The British were prevented by the Washington treaty from fortifying Hong Kong, but far down to the south, nearly 1,500 miles below Hong Kong, the new naval base on Singapore Island lies in the very heart of the vast tropical treasure house of the Netherland Indies, with Java, Sumatra and Borneo lying in a huge semi-circle around it and the little islands of the Riou archipelago lying only ten miles off Singapore Harbor itself.

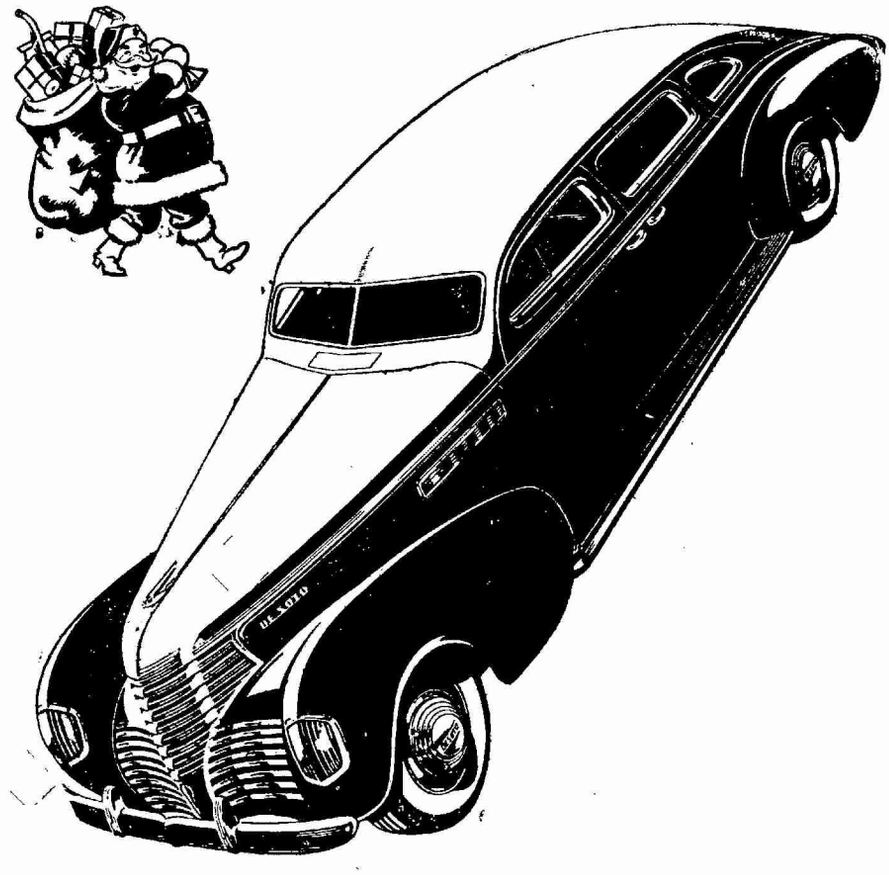
Singapore is one of the grandest naval positions on the world's seas. On its new naval base rests the utlimate defense of all the immense British commitments from India to Australia and New Zealand. It has accordingly been developed as the base of a powerful battle fleet, with a drydock big enough to take the Queen Mary. But where is the powerful battle fleet? At the moment it seems to be stuck fast 6,000 miles away in European waters; and, so far, not all of Mr. Chamberlain's "realistic diplomacy" has succeeded in freeing it.

At the moment, indeed, the Netherlanders profess to fear that, without the powerful battle fleet for which it was intended, Singapore may one day exercise the same fatal attraction as Port Arthur once exercised in somewhat similar circumstances. And the great thing about Singapore, from the point of view of The Netherlands, is that it lies on the very doorstep of Java. It is so situated that an attacker could hardly approach it without stepping on a Netherland island and so ringing all the alarm bells in The Hague.

Naval Insecurity

Economically, while maintaining their open-door policy, the Netherlanders at the moment feel reasonably secure against the formation of a Japanese sphere of influence, with or without German aid, in the Indies. But with economic security there has come an increased apprehension of naval insecurity. This is being relieved as far as possible by the Netherlanders themselves, but it will not disappear until Singapore ceases to be as attractievly bereft of a battle fleet as it is today.

THE MARK OF DISTINCTION



You will see the new De Soto driven this year by people you admire. It is the good taste, as reflected by good judgment in what they do, or wear, or buy that distinguish them. For people of good taste will like the 1939 De Soto with Dual Power performance, Remote Control Gear Shift, and engineering throughout that now more than ever, distinguishes this fine car. And ownership now, more than ever before, will be a Mark of Distinction.

DE SOTO

The Season's Sensation!

THE CHINA DE SOTO CO.

Distributors for De Soto Motor Cars, Trucks and Busses

167 Yu Ya Ching Road Telephone 96290-1

87-109

Who's Who in China

Dr. Henry H. P. Chiu, Jurist and Professor; native of Fukien; born at Rangoon, Burmah, 1904; B. S. C., 1925, China National University at Woosung; LL. B., 1927 the Comparative Law School

丘漢平
Dr. Henry H. P. Chiu
(Chiu Han-ping)

of China, Soochow University; J. S. D., 1929, National University, Washington, D. C, U. S. A.; Honorary student, Royal University at Palermo, Italy; Chairman, Membership Committee of the International Universities Student Club, Washington, D. C., 1928-2); member, Phi Tau Phi Society, Soochow Chapter; Professor of Law and Foreign Affairs, Government Chi-nan University at Chenju, 1930; Dean of the School of Diplomacy and Consular Service, same University, 1931-32; Founder and Principal of the Oversea Chinese Middle School, 1931-35; Professor of Law and Director of the Oversea Cultural Activities Research Institute, 1934-35; Editor-in-Chief, the *China Law Review*, 1932-33; member of Standing Committee, Shanghai Universities Professors and Staff Association, 1933-34; Legal Expert, Bureau of Social Affairs of the Greater Shanghai City Government, 1936-37; Professor of Law at the Comparative Law School of China, Soochow University, since 1930; author of "A Comparative Study of Roman, Hindus, and Chinese Law of Adoption" (in English); of various articles on the question of the Chinese Exclusion Law in the United States as publisheded in the *China Weekly Review*, *China Critic*, and other English periodicals; of the following books in Chinese: "A History of Juridicial Ideas Before Ch'in Dynasty", 2 ed., 1934; "Introduction to the Science of Law", 6 ed., 1937; "The Chinese Police Law", 3 ed., 1937; "The Institutes of Roman Law," 1936; "Readings in the History of Chinese Law," 1938; "Problems of Chinese Nationals Abroad," 2 ed., 1937; "Principles of the Chinese Negotiable Instrument Law," and many other books on economics, accounting, and foreign affairs; legal practitioner in Shanghai since 1930; address: Soochow University Law School, Shanghai.

Gold Shipments Due in United States

The Federal Reserve Bank has received notification that further shipments of gold are to arrive in the United States shortly. These shipments include $5,800,000 from Japan, $2,700,000 from the Netherlands and $2,000,000 from Great Britain, a *Havas* message from New York stated.

Here's Real Headline News!

NOW ON DISPLAY AT ALL RADIO DEALERS

ZENITH LONG DISTANCE RADIO

RADIORGAN

Plus Tip-Touch Automatic Tuning

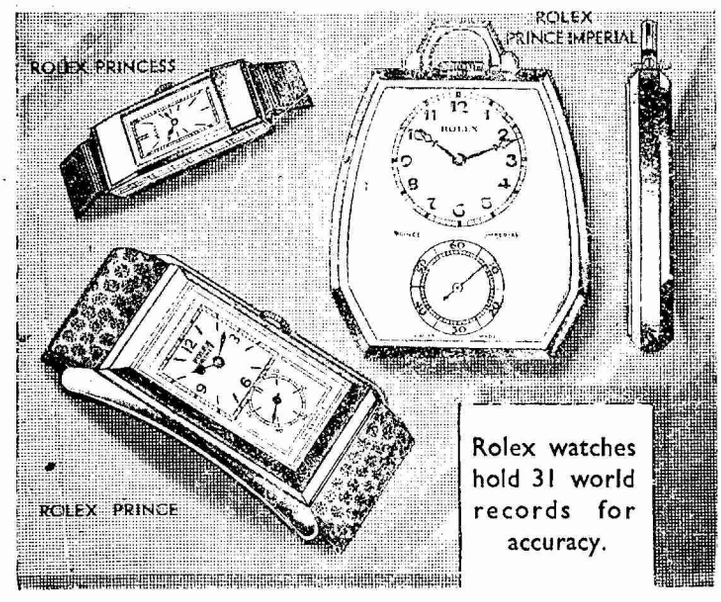
HAS EVERYTHING INCLUDING LOW PRICE

Sole Agents:
SCIENTIFIC SERVICE CO.
Shanghai-Hongkong-Singapore

87-110

A Rolex Watch will Ensure a Merry X'MAS

ROLEX
Leaders of Fashion and Precision



Rolex watches hold 31 world records for accuracy.

Rolex watches are being sold from $40.00

We are now able to sell all watches at lower than London prices.

Sole Agents
Alexander Clark Co., (Shanghai) Ltd.

Men and Events

Six American aviators, now in Bombay, India, are on their way to Yunnan to join the Chinese airforce, *according to Domei.*

Harry A. Scott, former Canadian Trade Commissioner in Shanghai, has been transferred to a similar post in the Canadian Trade Commissioner's office in London.

Dr. Bernard E. Read lectured at the Royal Asiatic Society on Dec. 15 on the subject "Animals in Chinese Medicine." The lecture was illustrated with lantern slides and specimens.

Lady Grenfell, wife of Sir Wilfred T. Grenfell, medical missionary and founder of the Labrador Missions, died in Boston on Dec. 10

Akiyoshi Tajiri, formerly First Secretary of Embassy in China, assumed his new post as Consul-General at Hongkong on Dec. 10.

Norman H. Davis, former American Ambassador-at-Large in Europe, who was appointed Chairman of the American Red Cross a year ago, has been requested by President Roosevelt to continue as head of the relief body for another year.

Mrs. Tu Yueh-sen, wife of the well-known Chinese banker , of Shanghai, died here on Dec. 6. Mr. Tu is now in Yunnanfu with a group of Shanghai bankers investigating the industrial situation in the southern provinces.

The German Consulate-General on Dec. 7 ordered all Germans in Shanghai to register in accordance with a new law recently passed in the Reich. They were given four days in which to register, prior to Dec. 23, otherwise they would be subject to a heavy penalty.

Tang Yung-chin, employe of the World Book Store on Foochow Road, who was injured when the place was bombed some time ago, died on Thursday of last week, according to a report in the local Chinese papers. Another employee who was also injured is still in the hospital. The Japanese military authorities recently seized approximately 6,000,000 copies of Chinese school textbooks, published by the company, and shipped them to Japan.

PAINTS AND PAINT WORK

Everything the best

H. B. CAMPBELL

1481 Bubbling Well Road

Phone : 34360

BIBLES and TESTAMENTS

IN ENGLISH AND IN CHINESE

Story Books

Religious Pictures

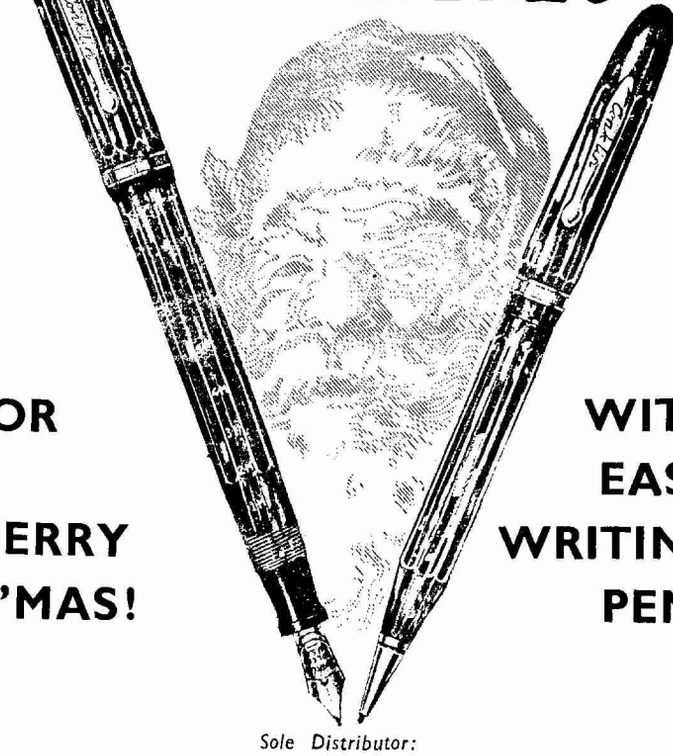
Calendars and Christmas Cards

Religious and Devotional Literature
In English and in Chinese

KWANG HSUEH PUBLISHING HOUSE

140 Peking Road, Shanghai

Conklin



FOR A MERRY X'MAS!

WITH EASY WRITING PENS

Sole Distributor:

THE WING ON CO., (S'HAI) LTD.

Shanghai's largest and most palatial apartment hotel, Broadway Mansions, located on the north bank of Soochow Creek in Hongkew, may be sold shortly to the Japanese, according to a report published in the *China Press* last Sunday. The building is owned by the Shanghai Land Investment Company and has been practically vacant since the Japanese intervention and seizure of the Hongkew section of the Settlement.

Some 400 members of the local Japanese community and a number of others were guests at a reception on Friday, Dec. 9 in honor of Mr. and Mrs. Shinrokuro Hidaka who returned to Tokyo last Monday. Mr. Hidaka, who has been Consul-General here for several months, has been appointed an official of the Central China Development Company. Itsuo Goto, senior Japanese consul, will serve as Acting Consul-General pending arrival of the new appointee, Yoshiaki Kiura, who is now Consul-General at Tsingtao.

Directors of the P and O. Banking Corporation in London, announced on Dec. 8 that the bank may be absorbed by the Chartered Bank of India, Australia and China. A proposal to sell the institution to the Chartered Bank was scheduled for discussion at the annual meeting of shareholders on Friday, Dec. 16.

Ewo Cotton Mills, Ltd., operated by the British firm of Jardine, Matheson and Company, earned a net profit of approximately $4,500,000 in the first nine months of this year, according to a report issued by the company this week. The company is planning a new issue of shares shortly.

Carl Van Doren, well known American writer, refused to permit his new book "Benjamin Franklin" to be published in Germany, but instead turned it over to an exiled German publishing firm in Holland where it will be issued in translated form for Germans living outside of the Reich. Five publishers in Germany tried to obtain publishing rights in that country.

Col. Casseville, new Commander of the French forces in China, was provided with a special guard of honor when he landed on the French Bund on Dec. 9. He succeeds Col. Jacomy, who returned to France six weeks ago. Col. Casseville plans to proceed to Tientsin after an inspection of the situation here.

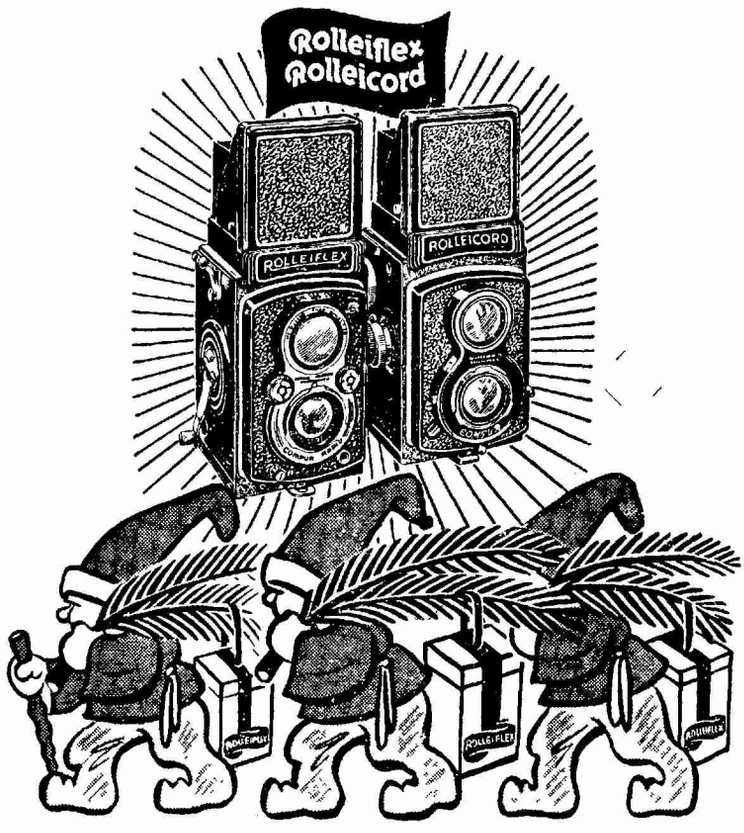
Paul Y. Anderson, veteran Washington Correspondent, previously with the *St. Louis Post-Dispatch* and *The Nation*, New York, and later with the *St. Louis Star-Times*, died on Dec. 6 at the age of 45, his death apparently being caused by an overdose of sleeping tablets. Mr. Anderson was a brilliant writer on politics and diplomacy and frequently wrote on subjects pertinent to the Far East.

The engagement of Miss Elizabeth Knatchbull-Hugessen, elder daughter of the former British Ambassador to China, Sir Hughe Knatchbull-Hugessen and Lady Knatchbull-Hugessen, to George Pregrine Young, Second Secretary in the British Diplomatic Service, was announced in London on Dec. 6.

Philippine constabulary reported, on Dec. 7, the arrest of 53 Japanese fishermen who where operating illegally in the Island waters. The police searched a Japanese boat, expecting to find explosives, but instead found the fishermen concealed below decks. Sometime previously a Japanese fisherman was shot and killed by Philippine police when he refused to show his fishing license and resisted arrest.

German residents of Tokyo have decided to boycott the popular *Japan Advertiser*, American paper in the Japanese capital, and start their own newspaper. The German paper, according to the initial announcement, will publish news and editorials "in keeping with the spirit of the German-Japanese cultural agreement." Another reason, unannounced, is that the American paper in Tokyo is owned by B. W. Fleisher, who is a Jew.

The Japanese *Domei* news agency had its "official" status further enhanced on Dec. 9 when Yukichi Iwanaga, president of the agency, was proposed by the Government for Imperial appointment to the House of Peers. Seven other nominees included Okinobu Kaya, former Minister of Finance, Umekichi Yoneyama, managing director of the Mitsui Patriotic Society, and Dr. Tongo Tatebe, former professor at the Imperial University of Tokyo.



Good Cheer Will Certainly be Brought to the Recipient of a ROLLEI.

A more than ordinary camera, the Rollei is a fitting gift for this "more than ordinary" occasion.

The Rollei keeps the past alive with a perfect picture record, such as no other camera in its class can produce. No failures or disappointments—every detail in the manufacture has been designed to ensure ease and accuracy in getting perfect results.

ON DISPLAY AT ALL DEALER'S

87-112

Raise Your Blood-Count

And You'll Feel "In the Pink"

Normal blood has a count of 4,500,000 red corpuscles. If your blood count is below this you just can't feel well, because only these tiny cells can carry the necessary nourishment from your food and the energizing oxygen from your lungs to every part of your body. With a low blood count you're bound to be always tired, easily upset, nervous and depressed, without appetite, sleepless, under weight. Everything is drudgery.

You needn't go on in this way! Take Dr. Williams' Pink Pills. Originated by a British physician, this tested tonic quickly raises your blood count. You get new energy and vigour, your depression and nervousness disappear, your appetite and normal weight return, you sleep soundly, and your life is worth living again. At all druggists.

Kenshi Matsuzaki, director of the Examining Board of the Yokohama Customs, has been appointed a director of the North China Development Company.

Major-General A. P. D. Telfer-Smollett, Commander of British Forces at Shanghai, has been appointed Lieut. Governor of Guernsey and dependencies, a group of small islands in the English Channel.

Dr. John Earl Baker, director of the Shanghai International Red Cross, spoke on "Some Impressions of West China," at a meeting of the American University Club at the American Club on Friday, Dec. 16. Mr. Baker just returned from a trip to Chekiang, Kiangsi, Hunan, Kweichow, Yunnan, Kwangsi and Szechuen.

The smallpox epidemic among Japanese residents of Hongkew has not been eliminated, according to a report in the Japanese paper *Nippo* this week, stating that there were 67 Japanese victims of the disease. There were few fatalities, according to the report.

Major Jose de Lima Figueredo, Brazilian Military Attache, stationed in Tokyo, arrived in Shanghai this week following a tour of the Yangtsze battle front. He was accompanied by Capt. Masateru Kabayama of the Japanese Army. While on the trip Major Figueredo called on Gen. Shunroku Hata, Commander-in-Chief of the Japanese expeditionary force in Central China.

A report in the *Nichi-Nichi* on Dec. 2 stated that Japanese firms, instead of paying out each bonuses this year, would give employee military bonds instead. It was estimated that bonds to a value of Y. 70,000,000 would be distributed in this manner.

A report in the Shanghai *Morning Leader* on Dec. 12 stated that Chu Peng-shou, chief engineer of the Chinese Telephone Bureau at Tientsin, was recently killed by the Japanese military. Mr. Chu was kidnapped by gangsters employed by the Japanese early this year and efforts were made to force him to take charge of the telephone bureau under Japanese orders. He steadily rejected the Japanese offer and finally was executed.

Some weeks ago the German *Transocean* service published numerous reports alleging that Marshal V. Bluecher, Commander-in-Chief of the Soviet Red Army in the Far East, had been "purged," arrested, executed, and had finally committed suicide. On Dec. 13, *Transocean*, in a dispatch from Warsaw, Poland, brought Gen. Bluecher back to life and claimed that he had a long conference with M. Stalin and had been reinstated in office.

More than $10,000,000 worth of foreign-owned merchandise is now stored in Hongkong, according to the *Chinese-American Daily News* on Dec. 4. The paper stated that the goods were ordered by Chinese dealers in the interior, but delivery cannot be made because of Japan's closing of the Pearl River and cutting of the Canton-Hankow Railway.

A.B.C. PRESS, SHANGHAI
Printing
in all its Branches
Your work should bear our imprint

Judge Milton J. Helmick announced on Dec. 8 that the decision in the case against Frank A. Simon, charged with violation of American laws through attempted registration of Chinese fishing junks, would be handed down later. At the conclusion of the hearing he asked for written briefs. Simon was arrested about two weeks ago and was released on bond. J. B. Davies of the law firm of Allman, Davies and Kops asked that the case be dismissed because of errors in the complaint and the fact that the statutes used as basis for the complaint were enacted in 1792 and are no longer operative. Leighton Shields, U. S. District Attorney claimed that Simon was using official letters of the State Department for the purpose of proving ownership of the junks which actually did not belong to him. The junks were being used in the fishery trade off the Chekiang coast.

Exodus of American Newsmen from Shanghai

The Empress of Canada, which sailed from Shanghai for Vancouver last Monday, carried several American newspapermen who are returning to their homes after service in the Far East. Included in the group were Earl Selle, assistant editor of *The Review* and radio commentator, who is returning to Seattle due to the serious illness of his father. He was accompanied by Mrs. Selle. Reginald Sweetland, long stationed in the Far East for *The Chicago Daily News*, is returning, with Mrs. Sweetland and their son, to Chicago and possibly to a European assignmen later on. La Selle Gilman, city editor of the *Shanghai Evening Post* and auther of "Shanghai Deadline," is going to Honolulu where he will be connected with the *Honolulu Advertiser*. C. R. Lewis, formerly on the staff of *The China Press* and *Reuters*, is returning to his home in Los Angeles. W. E. Fisher, member of the reportorial staff of the *Shanghai Times* is also departing from Shanghai soon. He plans to return home by way of the Netherlands Indies and India.

Catholic Priest Accused of Spying

An Italian Catholic priest has been accused by the local populace of Laohokow, in Hupeh province, of doing espionage work for the Japanese invaders, the Shanghai *Morning Leader* reported Dec. 13. The priest is said to have admitted the charge to the local authorities and to have agreed to leave China within a week.

BANK OF CHINA
The Specially Chartered International Exchange Bank of China
With Branches and Sub-branches throughout China, and Agencies and Correspondents all over the world, this Bank offers all kinds of banking facilities to meet your personal and business requirements.
624 Avenue Joffre Shanghai, China
87-113

New Books of Interest in the Far East

Islam Awakening

Islam In The World—By Zaki Ali, published by Muhammed Ashrof, Lahore, India. 428. pp.

This is a book written by an Egyptian medical doctor in Switzerland and published in India. The first part deals with the history of Islam with special emphasis on Islamic civilization and the evolution of Islam, indicating that many changes have taken place. Part 2 deals with the awakening and emanicipation of Islam and its place in international affairs and in the world.

The reviewer cannot better indicate the point of view of the writer than by the following quotation from the Preface:

"But in Europe I discovered a deplorable ignorance and misunderstanding of Islam, the religion which I profess, and found that the relations between the West and the Islamic world presented a chronic pathological case very worthy of study and elucidation of its causes with a view to treatment. I set to work on this self-imposed and difficult task, and the result of my study and observations are set down in the following chapters.

"In producing this work I have had two main objects in view: the first being to place before the readers, Muslim and non-Muslim alike, a concise and comprehensive presentation of Islam; and the second, to depict the salient aspects of the swift and profound transformation of the self-conscious Islamic countries and its bearing upon world affairs.

"My first aim would seek to dissipate the dangerous misunderstanding which exists in the West as regards Islam and the Muslims. My second aim is to show that the revival and progress of the Islamic peoples of today does not constitute in the least a menace to the West. On the contrary, if the West will cooperate with Islam in the East there will be hope for a stability in the situation of the world and a coming of a righteous and real peace.

"This book, therefore, is for enlightenment and reconciliation."

The author is a Mohammedan fundamentalist. He takes literally the scriptures and would have us believe that "the oft-repeated allegation that Islam was propagated by the might of the sword is absolutely false and unfounded."

The observations concerning the power of Islam to propagate itself are worth serious thought. "Islamic ethics do not aim at raising humanity above itself. Taking it as it is, as God himself has created it, they make allowance for the basic tendencies which prevail in its midst." Instead of seeking to suppress these tendencies, they strive to modulate and regulate them. Again, "the comparative ease of becoming a good Moslem and the ensuing conditions of peace, serenity and dignity which develops in the individual procuring the feeling of internal satisfaction explains the extraordinary hold the Moslem creed has on its adherents."

The second part, dealing with the awakening of Islam, is of great importance. It pictures Turkey at one extreme, doing away with Islam as a state religion and following a process of radical modernization, and Egypt at the other extreme anxious to be nationally Islamic as Turkey is not. This whole group of Islamic countries have within the last 20 years made great strides politically, culturally and religiously. Here is the recrudescence of an ancient cultural world, which has been dormant for many decades. This book gives a significant picture of the problem and the hopes of the Moslem world.

E. H. C.

Eurasia Aviation Corporation Meets

The annual meeting of the board of directors of the Eurasia Aviation Corporation was held in Kunming (Yunnanfu) Dec. 9, when a report on the current year's activities was submitted and approved. Measures for development of the corporation's business in the coming year were also decided upon, *Kuo Min* reported.

What Does Your Baby Weigh?

If Underweight Give Him

Baby's Own Tablets.

Seven pounds at birth—that is a good normal weight for an infant when he begins his life's battle. And he should steadily continue increasing after the first few weeks. Loss of weight, or failure to gain weight, is a sure sign that something is wrong.

Innumerable little ones who were not making steady upward progress have shown surprising response to Baby's Own Tablets treatment. Almost from the day the child was given its first dose of these Tablets improvement has been noticeable, followed by steady development all round. Appetite increases and digestion begins to function normally. intestinal action becomes regular and the child grows plump, firm and strong. Teething pains vanish almost as if by magic. What was formerly an ill-tempered, moody, feeble infant becomes changed into a cheery healthy child of whom you can be proud.

If you have a little one in your home keep Baby's Own Tablets always ready at hand to correct stomach, intestinal or teething troubles, and to ensure its good health and steady gain in weight. All chemists sell Baby's Own Tablets.

87-114

GIVE

continuous pleasure
the whole year 'round

A SUBSCRIPTION TO

The China Press

A gift that REALLY keeps on giving! Every day of the year, the persons to whom you give the CHINA PRESS will thank you all over again.

Send a Gift Subscription of

The China Press

To .....

Address .....

From .....to .....

Send bill to .....

A.B.C.

Get Your Requirements For . . .

X'mas & New Year

in our

DEPARTMENT STORE

GROUND FLOOR

Lady's Underwear
Infant's Dept.
Toilet Articles.
Piece Goods.
Shoes
Confectionery and Canned Goods.
Hosiery.
Stationery
Toys
Enameled Ware
Tobacco
Children's Dresses.

Leather Goods. Fur Department, and Ladies Overcoats.

FIRST FLOOR

Tailoring Department. Gent's Outfitting Department. Shirts Department.
Underwear Department. Hats and Pajamas Department. Leather Coats.

SECOND FLOOR

Sports Goods. Work Clothes Department. Bargain Department.

562 Nanking Road **CHINA A. B. C. UNDERWEAR CO.** Telephone 91064-5.

87-115

Calder Marshall
& Co., Ltd

87-116

In the United States Court for China

In re. Last Will and Testament of FREDERICK PAUL BEACH, Deceased	Cause No. 4377 Special Proceedings No. 2256 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Frederick Paul Beach, deceased, to present the same with vouchers to the undersigned on or before July 1st, 1939, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Frances Beach Bingham,
Executrix.
Foochow, China.

December 1, 1938.
Shanghai, China.

TO OUR SUBSCRIBERS IN AREAS OF MILITARY ACTIVITY

Hundreds of subscribers, who were forced to leave their homes because of the war situation, have been unable to return and in many instances, have been compelled to establish temporary or permanent residences elsewhere.

As a result they have been unable to receive copies of *The Review* mailed to their normal addresses.

In all cases these back copies have been retained in the office pending receipt of instructions as to new addresses.

Subscribers would thus confer a favor if they would notify this office of their present addresses, with instructions as to methods of routing the paper so as to assure delivery, particularly in Central, West and Northwest China.